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**TEACHER PERFORMANCE PAY: PERCEPTIONS OF PRACTICING
ADMINISTRATORS AND TEACHERS**

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**TEACHER PERFORMANCE PAY: PERCEPTIONS OF PRACTICING
ADMINISTRATORS AND TEACHERS**

by

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DEDICATION

I would like to dedicate this treatise to my husband Tom and my sons Joseph and Marcus. My family always believed in me and was patient with me when I was extremely busy and away from home. To my mother and father-in-law, thank you for being a constant support to me. You always offered your assistance when things were chaotic and hectic.

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TEACHER PERFORMANCE PAY: PERCEPTIONS OF PRACTICING ADMINISTRATORS AND TEACHERS

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This study considered the role of the principal plays in the implementation of performance-based pay. A qualitative research approach was taken and a multiple case study approach was employed. The data gathered consisted of three principals and six teachers. To triangulate data, transcripts were reviewed and member checks were utilized. The data analysis applied Bolman and Deal's organizational frames and two leadership styles: transactional and transformation leadership. Research questions were used to organize discussion and guide the findings. The research questions are: (1) How does the faculty perceive the implementation of the performance-based pay system? (2) How does the principal communicate and facilitate the development and installation of performance-based pay system? (3) How do the teachers perceive the principal's leadership in the implementation of the performance-based pay system?

Throughout a three-month period, data were collected through individual interviews and analysis of documents. Several themes emerged through the data analysis. These themes included: (a) professional development, (2) leadership styles, (3) motivation, (4) school climate and culture. The findings in the study suggest that the principals were influential in implementing and facilitating a performance based pay initiative.

Table of Contents

Chapter One: Introduction.....	1
Statement of Problem	1
Purpose of the Study.....	2
Research Questions	3
Methodology	3
Significance of the Study	4
Definition of Terms	5
Delimitations	6
Limitations	7
Assumptions.....	7
Organization of Study.....	7
Chapter Two: Literature Review	9
Texas Teachers Pay Experiment	9
Background	9
History of Chronology of Teacher Performance Pay	10
Grade Based System.....	10
Single Salary Schedule	11
Merit Based/Performance-based pay	12
Influences of Funding	13
Pros and Cons.....	14
Teacher Evaluation Systems	17
Motivational Theories Reviewed	19
Organizational Frameworks.....	25
Leadership Theories	32
Principals and Their Roles	36
Leadership Illusion	37
Power and Influence	37
Resistance of Teachers Organizations	38
Houston ISD.....	39
ASPIRE.....	41
Current Professional Development Initiatives	43
Training Implementation Issues	44
Conclusions	44
Summary	45
Chapter Three: Methodology	46
Introduction	46
Research Questions	46
Research Design.....	47
Description of Sample	48
Procedures for Data Collection	49
Data Analysis	49
Summary of Chapter.....	50
Chapter Four: Results.....	52
Introduction	52

Qualitative Coding Process	52
School District.....	53
School A: Physical Location and Description	54
School A: Principal Profile	54
School B: Physical Location and Description.....	54
School B: Principal Profile.....	54
School C: Physical Location and Description.....	55
School C: Principal Profile	55
Campus Profiles: A, B, C.....	55
Staff and Teacher Profiles: A, B, C.....	56
Teacher A1: Profile	56
Teacher A2: Profile	57
Teacher B1: Profile.....	57
Teacher B2: Profile.....	57
Teacher C1: Profile.....	57
Teacher C2: Profile.....	58
Research Questions	58
Research Question One.....	58
Summary	59
Research Question Two	60
Summary	61
Research Question Three	62
Principal Responses.....	63
School A.....	64
School B.....	65
School C.....	66
Cross Case Analysis	67
Research Questions One	68
Research Question Two	69
Research Question Three	70
Summary	73
Chapter Five: Summary, Conclusions, and Implications	74
Introduction	74
Re-Statement of the Problem	74
Purpose of the Study.....	75
Research Questions	75
Methodology	76
Specific Results	77
Discussion of Findings	78
Lack of Professional Development	78
Leadership Styl.....	80
Motivation.....	81
School Culture and Climate	83
Conclusions	83
Summary	84
Implications for Practice and Further Research	85

References	87
Appendix A: PERMISSION TO USE HISD PERSONNEL.....	94
Appendix B: CONSENT FORM OF STUDY	95
Appendix C: LETTER/EMAIL TO TEACHER/PRINCIPALPARTICIPANTS.....	97
Appendix D: TEACHER QUESTIONS.....	98
Appendix F: PRINCIPAL QUESTIONS	100

List of Figures and Tables

Figure 1: Vroom's Expectancy Theory	22
Table 4.1: Aspire Model	53
Table 4.2: Teacher Salaries.....	53
Table 4.3: Campus Profiles.....	55
Table 4.4: Teacher Profiles	55
Table 4.5: Perceptions of Teachers regarding principals' support for ASPIRE	71
Table 4.6: Teachers Motivated by Principal to Perform	72
Table 4.7: Teachers Motivated by ASPIRE to Perform	73

Chapter One: Introduction of the Study

Administrators currently face the major pay-for-performance initiative that took shape in the 2000s to ensure teacher accountability. Throughout the last decade, legislation has sought to correlate teacher performance with teacher and administrator salaries. Instructional leadership in schools and school systems is imperative for high levels of achievement. Good leadership provides teachers and students the guidance and direction they need to reach high levels of academic achievement. A national movement favors instituting performance-pay initiatives as incentive for teachers to learn new instructional strategies, concentrate on student achievement, work in “hard-to-fill” teaching positions and locations, and take on leadership roles (Lopez, 2010, p. 12). Performance-based pay in large school districts is primarily used to reward excellent teaching. Once implemented, performance-pay initiatives have produced mixed results. To understand what is required for performance-pay systems’ successful implementation, we must examine how school principals impede or support these systems. This study will examine how school principals influence teachers’ performance behaviors and outcomes. This study focused on a performance-pay program’s implementation in a large urban school district.

Statement of the Problem

Administrators face unique challenges in ensuring that teacher pay for performance contributes favorably to student performance. The reauthorization of the Elementary and Secondary Education Act (ESEA) (1965) under the No Child Left Behind Act (NCLB), enacted into law in January of 2002 (U.S. Congress, 2001c), uncovered data that confirmed the failure of federally funded programs to ensure student accountability. The Texas Academic Excellence Indicator System, which centrally stores student assessment data for the Texas Education Agency, disclosed sustained and significant gaps between teachers and schools in terms of

student achievement. The current emphasis on merit pay has brought attention to the need to reform and refine the existing merit systems; better understanding of how teachers and administrators respond to merit systems designed to foster student achievement is crucial for effectively implement reforms, however. A literature review on the pros and cons of performance-pay systems has been included to help in reaching such an understanding.

Purpose of the Study

There is strong national interest in rethinking compensation for teachers and school administrators. Actions are underway at the federal level and in many states with enough momentum to change educator performance-pay strategies significantly. The leadership in schools will play a substantial role in the success or failure of these initiatives, particularly in terms of how it supports teachers through the process of change. Research suggests that “layers of leadership” will be necessary to establish and maintain such change (Lopez, 2010, p. 115).

Administrator Perception

Administrators are pivotal in ensuring that students and teachers are motivated and held accountable to high levels of achievement. School leadership plays an important role in determining whether change occurs and new programs survive (Fullan, 2002, p.12). The principal’s support and advocacy for programs affect how teachers’ perceive them and how well they are implemented.

Teacher Perception

What is a teacher worth? How is this worth determined? Is it based on years of experience? Should it instead be based on how students perform on a statewide exam? Should it be a combination of both? In order to lead a high performing school in an urban district, administrators must support the endeavors of school districts that now increasingly emphasize

merit-based pay. Merit-based pay is not a new concept in education, however, the use of how to implement and motivate teachers is. With ongoing use of merit-based pay educators must understand how it affects teacher motivation. Teachers must perceive that their efforts will be rewarded.

The pros and cons of the performance-pay issue are discussed in scholarship that advances the merits and effectiveness of such systems. This scholarship includes the motivational theories about service organizations and public schools. The purpose of this study will be to investigate *how* school principals influence the performance behaviors and outcomes of teachers in performance-based pay districts.

Research Questions

The following research questions guide this study:

1. How does the faculty perceive the implementation of the performance-based pay system?
2. How does the principal communicate and facilitate the development and installation of performance-based pay system?
3. How do the teachers perceive the principal's leadership in the implementation of the performance-based pay system?

Methodology

The methodology for this study will consist of the qualitative approach to case studies. The study data includes as semi-structured interviews with three urban school principals and surveys of two teachers from each school. The interviews with the principals were audio taped and transcribed by the researcher using Atlas Ti software and manual coding. The interview data were analyzed and peer reviewed. To prevent overload, the researcher used open coding (Strauss and Corbin, 1998). Themes were identified as data were broken down into discrete parts to

determine similarities and differences. Codes were assigned for each grouping using axial coding for assigning categories and subcategories. The teacher interview questions were developed to elicit information that paralleled the questions guiding the research study. Continuous examination of transcripts, artifacts, survey results, performance-pay program descriptions, and related documents occurred to triangulate data. Other activities that supported validity included reflective journaling, audit trails, and member checks.

This study focuses on school principals and teachers that received performance pay in the 2007-2009 school years. The data sources consisted of semi-structured interviews with principals and teachers selected based on the research objectives. The researcher also reflected on the five tenets of qualitative research elaborated by Merriam (1998). These tenets are as follows:

1. Qualitative research is interested in understanding the meaning people construct;
2. The researcher is the primary instrument for data collection and analysis;
3. Qualitative research usually involves fieldwork;
4. It employs an inductive research strategy;
5. Qualitative research produces richly descriptive research results (p. 6-8).

Chapter Three includes a detailed description of the case study methods and fully discloses its design and procedures for gathering data.

Significance of the Study

Principal practices, beliefs and communication techniques urgently require analysis in order to establish how perception of a principal affects teacher performance behaviors and outcomes. Therefore, this study *expands* and *confirms* prior research supporting the importance of a principal's professional development opportunities, communication strategies, and understanding of the intricacies of performance-based pay.

Definition of Terms

ASPIRE: Stands for Accelerating Student Progress Increasing Results and Expectations, which it proposes to do using the following four core components: Developing Human Capital; Improving; Teaching and Learning; Informing Practice; and Recognizing Excellence (Houston ISD, 2010, p. 6).

ASPIRE Award: Based on a student's value-added academic progress, a teacher, administrator or support staff member may receive an award (Houston ISD, 2010, p. 6).

Adequate Yearly Progress: This is a measurement defined by the United States Federal No Child Left Behind Act that allows the U.S. Department of Education to determine how every public school and school district in the country is performing academically according to results on standardized tests (Wikipedia, 2008).

Expectancy theory: This is the theory of motivation developed by Vroom (1964). It explains the process of individual decision making based on various behavioral alternatives.

Its theoretical formula is $\text{Motivation Force} = \text{Valence} \times \text{Instrumentality} \times \text{Expectancy}$ (Turcan, 2011, p. 9).

Expectancy: This represents the perceived probability that effort will lead to good performance. Variables that could affect expectancy include self-efficacy, goal difficulty and perceived control (Turcan, 2011, p. 9).

High Academic Performance: This study used the State of Texas Accountability measures, which label campuses as Exemplary, Recognized, Acceptable, and Unacceptable. High performance campuses are measured Exemplary (minimum of 90% passing) or Recognized (minimum of 80% passing).

Leadership: Refers to the person “...guiding and inspiring people to journey willingly toward an identified target; done well, it nurtures a culture of risk-taking and learning, thereby creating opportunity for meaningful changes in the direction, beliefs, values, practices, and skills of the individual, group, and organization” (Erkins, 2008, p. 40). In this study, leadership refers specifically to the school principal; the two terms will be used interchangeably.

Motivation: This refers to a predisposition to behave in a purposeful manner to achieve specific unmet needs (Buford, Bedeian, & Lindner, 1995, p.16)).

No Child Left Behind Act: The Elementary and Secondary Education Act as reauthorized by the No Child Left Behind Act was a landmark education reform bill based on stronger accountability for producing results, more freedom for states and communities, support for proven education methods, and more choices for parents. From:

<http://www2.ed.gov/nclb/overview/intro/4pillars.html>

Performance/Merit Pay: Teacher performance-based pay is a teacher compensation system correlates teachers’ pay and performance to their students’ performance (Mitchell, 2009, p. 7).

Power: This term is used to describe the capacity an agent has to influence the behavior and attitude of many at a given point in time (Yukl, 2006, p. 146).

Value-added: Value-added analysis is a statistical method used to measure teachers’ and schools’ impact on students’ academic progress rates from year to year. From:

http://portal.battelleforkids.org/ASPIRE/value-added/what_is_value_added.html?sflang=en

Delimitations

This study focused on three urban schools in a specific region. The study sought to gain insight about principals and teachers from three urban schools. The participants were selected by the researcher and were interviewed about how they perceived the principal’s leadership behaviors to have affected the implementation of a performance-pay system.

Limitations

A qualitative research design approach was used for this study and included the following limitations: a personal belief system, previous experiences with performance pay and researcher selected principals and teachers. Qualitative research rejects the possibility of objectivity and neutrality in research (Willis, 2007, p. 210). The researcher as inquirer often makes knowledge claims based on a constructivist or participatory perspective, or a combination of both (Creswell, 2003, p. 18). This study does not investigate how plans are implemented, which may be one of its limitations. The climate from one school to another may also substantially impact how principals and teachers view performance-based pay. Furthermore, the interviews took place only with teachers who had participated in the program. Finally, the self-reporting nature of the participant responses may also be a limitation.

Assumptions

This study assumed that the principals and teachers selected for this study possessed some knowledge of performance-based pay. It also assumed that the teachers and principals would candidly and clearly respond to the study questions. Finally, it assumed that the researcher would provide a risk-free environment where the rights of the study participants would be protected.

Organization of the Study

Chapter Two provides a comprehensive review of literature about motivation theory and organizational frameworks. Chapter Three presents the methodology and the procedures used in this research. It starts by describing the research objectives, questions and hypotheses. Chapter Four presents the findings from the survey respondents and analyzes each hypothesis and

research question tested. Chapter Five draws conclusions from the data analysis. It also provides recommendations for further research and outlines the conclusions.

Chapter 2: Literature Review

Texas Teacher Performance Pay Experiment

What is a teacher worth? How is this worth determined? Should it be based on years of experience, on student performance on a statewide exam, or a combination of both? This section reviews scholarly literature on the pros of cons of performance-based pay systems and the motivational theories and organizational frameworks designed to heighten teachers' awareness of performance-based pay features. It also summarizes the research on expectancy theory and teacher motivation.

Background

The *No Child Left Behind Act* of 2001 (NCLB) was a landmark education reform bill to improve student achievement. Under NCLB, each state was required to implement a statewide accountability system whereby each school would be held accountable for adequate yearly progress (AYP). Throughout the last decade, many states and districts have held schools accountable for student improvement and achievement. The induction of NCLB state accountability systems, coupled with concern over U.S. students' relatively poor performance on international math and science tests, has resulted in increased interest in the design and implementation of performance related pay policy (Podgursky, 2004, p. 3). Interest in improving public education is growing not only in the United States but also worldwide. One reason for this shift is the public's dissatisfaction with the education sector's current performance, especially as substantially increased spending on public schools promised to increase student achievement (Lavy, 2007, p. 88).

The goal of education is to provide students with the necessary skills for a productive and financially sustaining career. The State of Texas requires that each student meet the minimum

standards as defined by the Texas Academic Knowledge and Skills (TAKS) test in grade levels 3, 5, and 8. Each student should also reach exit levels in high school. To ensure that students are progressing by meeting and exceeding these standards, school districts have developed systems whereby performance is monitored annually based on student performance and growth as measured by the TAKS. Implementing pay for performance poses many practical challenges because measuring an individual teacher's performance is difficult (Lavy, 2007, p. 87).

Historical Chronology of Teacher Performance Pay

In the early 19th century, nearly 80 % of all working citizens were farmers (Podgursky, 2004). Due to this context, the one-room schoolhouse emerged with a design influenced by regional crop variation; many students needed to work and be a part of farm production. The one-room schoolhouse provided students with the opportunity to room and board at the school, and teachers received a small stipend. The practice of uniform pay for teachers of similar educational and experience levels has not always been the norm in the United States (Figlio and Kenny, 2006, p. 2). Teacher compensation structures remained relatively constant for many decades, resulting in predictable and stable teacher compensation structures (Mohrman Jr., Mohrman, & Odden, 1996). With the increased pressure on teachers and administrators to have students meet standards quickly, the climate has evolved. The educational climate in the last four decades or so has been characterized by an emphasis on establishing challenging content standards for students and accountability systems to measure performance against those standards (Stronge, Gareis, & Little, 2006, p. 11).

Grade Based System

With the increase in enrollment, the move toward a grade-based educational system dramatically altered the process of teacher compensation. The grade-based compensation model

created in the late 1800s was similar to the factory model already in use in the American economy. Using the grade based model, teachers were paid for the degree of skill needed to educate a child at a specific educational level. Because most believed that students at the elementary level were easier to educate and required less formal training for teachers, upper level teachers earned more(Podgursky, 2007).

Around the turn of the 20th century, labor leaders became more prominent in factories and factory owners were pressured to improve working conditions and increase worker salaries. With the increase in strikes and boycotts led by labor leaders like Samuel Gompers, the American Federation of Labor (1886), and the Industrial Workers of the World (1938), employers needed to ensure that employees were given equal rights. The *single salary* schedule resulted from these efforts (Podgursky, 2007).

Single Salary Schedule

The single salary schedule created an entry-level pay scale for teachers. With the single salary method, teachers receive the same amount as other teachers with the same level of experience. The method ensures that all teachers entering the profession with the same level of experience receive the same salary. In a typical schedule, rows indicate years of experience and columns indicate the levels of graduate coursework completed or degrees obtained (Podgursky & Springer, 2007, p. 911). Teachers with more years of experience receive larger salaries, as do teachers with more education. In general, most teachers in the United States are currently paid according to a single salary schedule that provides salary increments according to his or her years of experience and number of college/university units and degrees.

A teacher salary schedule was first implemented in several big city districts in the late 1920s and early 1930s. Its basic concept did not change much over the course of the 20th century;

it continues to be prevalent in smaller school districts. The single salary schedule is the almost universal method of compensation for teachers in public schools in the United States. It must be noted that the system is a single salary *schedule* rather than a single *salary*; teachers are paid based on longevity (number of years in the district) and professional development and education, most often indicated by degrees and credits towards degrees (Gratz, 2009, p. 59). The logic of the single salary schedule assumes that more years of experience produces better teaching.

Merit Based/Performance-based pay

Teacher performance-based pay is a teacher compensation system that correlates teachers' pay and performance based on their students' performance (Mitchell, 2009, p. 7). For the most part, the performance-based pay model incorporates a single-salary pay schedule as the teacher's base pay and then provides bonuses dependent on the school's general and the teachers' individual performances. Pay for performance is meant to solve the twofold goal of motivating teachers to perform well and of attracting and retaining good teachers, particularly under conditions where their effort or ability is not otherwise readily measured or observed (Lavy, 2007, p. 88). Performance-based pay models are based on the belief that the mission, goals and major emphases of school programs should center on improving student achievement, and that teacher compensation should likewise be linked to this effort and outcome (Stronge et al., 2006, p. 93). Pay based on performance usually involves some statewide objective assessment of the school's efforts.

Performance-based pay systems vary in design. In addition to the type described above, another type of performance-pay system is structured as a team-based incentive program. The group's performance determines the bonus pay awarded, which is then divided up equally

amongst the team members. Uncommon and difficult to measure, team-based systems are more common in small school districts.

To address shortages of qualified teachers and teacher attrition rates, states and districts have begun using financial incentives to retain qualified teachers and recruit new ones to particular districts and subject areas (Herbert & Ramsey, 2004, p. 3). Performance-pay plans create salary schedules and/or bonus programs for teachers or schools that meet a specified performance standard. Incentive plans usually provide the bonus to teachers who teach in schools identified by the district as being high needs/high priority. In contrast, performance pay is generally directed at all teachers and based on measures of their teaching performance, such as student achievement and/or teacher evaluations.

Teacher incentive programs are one of the federal government's strategies for improving teacher quality (Mitchell, 2009, p. 2). Scholars believe that as more states develop accountability and data systems capable of tracking the progress of each student, value-added incentives for teachers will become more effective. Many of the performance-based pay systems utilize a value-added approach, assessing student gains and/or change. Incentives should balance individual rewards with school incentives, fostering a cooperative culture without subsidizing teachers who are "free riding" (Lavy, 2007, p 87). Compensation reform responds to the need to change instructional behavior for those whose career success could only be motivated by compensation.

Influences of Funding

Schools, districts and states across the nation are changing the way that educators are being paid. One program that works with teacher incentives is the Teacher Incentive Fund (TIF). The TIF is a program that supports efforts to develop and implement performance-based teacher

and principal compensation systems in high-needs schools. In 2006, Governor Perry introduced the Governor's Excellence Award Grant (GEEAP), the single largest performance-pay program in the United States public system (Podgursky & Springer, 2007, p. 10). The GGEAP consists of the Texas Educator Excellence Grants and the Governor's Educator Excellence Award pilot. Any staff member can receive a grant based on performance requirements that include student growth, student performance and professional growth activities. This program is state funded at 100 million dollars per year. The Center for Education Compensation Reform (CECR) is a federally funded national center charged with providing a framework for guiding discussion on the important issues related to teacher compensation reform. Private funding by organizations that firmly believe that the state of public schools is in disarray also subsidizes teacher salary incentives. The Melinda and Bill Gates Foundation have taken an interest in pay-for-performance models. In 2007, the Bill and Melinda Gates Foundation committed to 4.5 million dollars over three years to support the Houston Independent School District's ASPIRE initiative. The monies were directed toward implementing a new data system that would monitor individual student progress, inform classroom instruction, and help teachers to provide more targeted support. The foundation supports pay-for-performance and best teaching strategies that produce results.

Pros and Cons

Benefits of Performance Pay

Educators know that a teacher's level of expertise, knowledge, and skills greatly affects student achievement; these teacher characteristics can be isolated and identified. Research has consistently shown that an effective teacher positively affects student achievement (Odden & Kelley, 2002). To ensure student achievement, an appropriate measurement model for reviewing

and rewarding teachers' effectiveness should therefore be implemented. Furthermore, a performance-based model would align school and district resources towards enabling student achievement and growth. The pay-for-performance model holds teachers accountable for student achievement.

Legislators have proposed performance-based pay systems to improve teaching, motivate good teachers, attract the best college graduates into teaching, eliminate the achievement gap, and improve the economy, among other envisioned outcomes (Gratz, 2009, p. 17). Each of these goals is lofty; performance-based systems continue to draw the attention of those seeking a solution for problems in education. When its goals are clearly defined, performance-pay models provide teachers with a road map to what is expected of them and what is being measured. Many would also argue that this focus on academic standards provides students with the right "tools" to become successful in the school and graduate.

Drawbacks of Performance Pay

Performance pay is becoming the national norm but is highly criticized by teacher unions for its inability to measure in a transparent manner. Measurement poses two separate problems. Incentive systems assume that everyone can agree on goals; they also assume that it is possible to accurately measure progress towards these goals (Lavy, 2007, p. 91). The most common claim made against performance-based pay is its failure to evaluate achievement in a manner that is fair, transparent and agreeable to all. Gratz (2009) stated that rewarding teachers based on subjective supervisor reviews often led to resentment among teachers. Odden (2000) observed that teachers are uncomfortable with differentiation of pay based on the subjective judgments of administrators.

Focuses in assessment on reading or math may compel teachers to emphasize these subjects and ignore other content. The failure of performance-pay models often results from ambiguous or inconsistent standards, remote or authoritarian planning, or arbitrary award determinations, all of which engender teacher opposition. They also result from unforeseen administrative complexities and budget limitations (Murnane & Cohen, 1986; Ballou & Podgursky, 1997). If testing primarily reading and math narrows the curriculum, that curriculum will become considerably narrower if these tests become the basis for teacher compensation (Gratz 2009 p. 19). If this narrower curriculum nonetheless enables measurable gains in student success, is that narrowing necessarily a problem?

These monetary awards are usually earned based on how many committee meetings staffs members are willing to endure, how many forms they will fill out, and how many unproven but attractively titled programs they are willing to launch and promote. All of these requirements distract tremendously from productive instructional improvement efforts.

Other pitfalls of pay-for-performance programs were that teachers were often not integral partners in planning programs that too often lost funding after the first years of implementation (Woon Ha 2003, p. 37). Ravitch (2011) contended that teachers oppose merit pay because they know that pay undermines collaboration and teamwork. They know that it corrupts the culture of the school. Ravitch suggests that merit pay has been repeatedly attempted since the 1920s. Sometimes scores increased and sometimes they did not, but the programs appeared ineffective and eventually disappeared. Ravitch contended that the corporate world continues to invest in a system that has not proven effective. In research conducted by the National Center on Performance objectives (9.21.2010), a group of researchers studied teachers over a three-year period. Each successive year, the teachers were given opportunities to improve their chances of

receiving a bonus by adjusting their practice. Results indicated that teacher incentives did not affect student achievement overall. Grade-level analyses showed encouraging effects in the second and third years of the experiment but only in grade five. Furthermore, the research studied the attitudes of teachers under the Nashville Public Schools Performance-based pay system. Largely, the teachers surveyed did not believe that bonus recipients were better teachers or that failing to earn a bonus should motivate teachers to improve performance (National Center on Performance, 2010, p. 38). If student achievement is the basis for teachers' performance-based pay, it must be transparently defined, understood, and measured.

Teacher Evaluation Systems

In order to design a system that rewards performance, we must first define "performance." Michael Allen, a policy analyst for the Education Commission of the States, listed the following five requirements for what a teacher evaluation system should be:

1. A vehicle to measure student learning gains against state standards;
2. A tool to collect and analyze data that can generate a "value-added" correlation between individual teachers and student learning gains over time;
3. An accurate evaluation of the data that identifies patterns of performance by students and individual teachers;
4. A plan to deal with teachers whose students show a pattern of low achievement; and
5. The result of buy-in from teachers and parents (Covey, 2009, p. 14).

The majority of school districts in the state of Texas have adopted and approved the Professional Development Appraisal System (PDAS). This system contains some of the components listed above yet fails to address specifically the "value-added" system that is prevalent in the Texas schools. School districts are moving from inexplicitly measuring growth

to more clearly correlating learning with individual performance. A value-added method allows for feedback that is specific, measureable and accurate. Additionally, the tool itself provides subjectivity on the part of the appraiser based on his or her previous training, perceptions and experience.

The Houston Independent School District (HISD) has identified value-added to be the major component for measuring performance pay. With the value-added model, teachers were awarded performance-based pay when their students displayed more growth than the previous year. The system compared students with similar socioeconomic economic status (SES) and school type to measure the base for growth. The ASPIRE award was introduced to recognize outstanding teachers and to motivate all teachers to perform at high levels as measured by the Texas Assessment for Knowledge and Skills Test (TAKS) and the Stanford 10 norm referenced test.

The ASPIRE award was introduced to all HISD employees in 2006-2007 and was to be the largest initiative in the district. As part of the program's introduction, teachers and administrators were trained by the district on ASPIRE's premise, basis for measurement, and goals.

In a 2010 study conducted by the HISD research and accountability department, teachers were surveyed about their level of knowledge about and perception of the past four years of performance-based pay. The findings indicated a decrease of teacher and administrator support for performance-based pay compared with a December 2007 survey, where 69.2 % were in favor of performance-based pay.

The HISD continues to implement and support the ASPIRE performance-based pay system to reward teachers for their efforts in improving students' academic growth.

Motivational Theories Reviewed

This study required an operational model of teacher motivation. Of the many existing educational motivational theories, expectancy theory is most relevant to this study. It includes research on teacher motivation and perceived school effectiveness, principal ratings and teacher performance, and students' attitudes toward their schools (Kelly, Heneman and Milanowski, p. 378).

An employee's motivation, whether personal achievement or harmony, can greatly influence his or her job expectations and attitudes (Schmidt, 2009, p. 10). The *approach/avoidance* theory suggests that people's behaviors are geared toward achieving what they want and avoiding what they do not (Tecker, 1985, p. 9). This theory applies to school leaders or administrators when they identify what they consider desirable and what they consider not to be.

The motivational theories reviewed below include the following: Maslow's (1954) hierarchy of needs, Skinner's (1953) reinforcement theory and Vroom's (1964) expectancy theory. Each theory addresses specific components, such as needs, motivators, satisfiers and behaviors.

Maslow's hierarchy of needs contended that human beings are motivated by unsatisfied needs and that certain lower needs must be satisfied before higher needs can be (Schmidt, 2009, p. 11). The general types of needs (physiological, safety, love and esteem) are termed "deficiency needs." If these needs are not met, a person will not be able to "self actualize" by moving towards unselfish behaviors. Employees' lower needs must similarly be satisfied before they will be motivated by their higher-level needs (Buford, Bedeian, & Lindner, 1995).

Simply stated, Skinner's (1953) reinforcement theory contended that employees would repeat behaviors that lead to positive outcomes and terminate those that lead to negative outcomes. The chances of an outcome occurring depends on the consequences associated with it a phenomenon termed operant conditioning. Skinner claimed that the following four types of operant conditioning exist: negative reinforcement, positive reinforcement, extinction and punishment. Positive reinforcement rewards a behavior and negative reinforcement removes a stressor in response to the behavior. Extinction weakens a behavior because it fails to produce anything positive and punishment weakens a behavior because punishment because of it (Schmidt, 2009).

Hodge (2003) suggested that teachers are similar to other workers in terms of how rewards motivate them and excite their spirit of work. Key findings about teacher motivation and its relation to performance-pay programs rank professional efficacy as the key motivator for teachers (Hodge, 2003, p. 16). This explains why teachers will work in deplorable and ill-equipped schools. Teachers receive personal satisfaction from teaching students to read and write and from assisting students with personal problems. Teachers call these results "moral purpose" because they make a difference in student's lives (Fullan, 1993). In organizations, managers should also negatively reinforce behavior that leads to negative outcomes.

Vroom (1964) defined motivation as an individually controlled process of governing choices of voluntary activities. Vroom's theory is based on the belief that employee effort will lead to performance and performance will lead to rewards. The individual makes choices based on an estimation of how well the expected results of a given behavior will match up with the desired results. This theory suggests that organizations must relate rewards directly to performance and must ensure that the rewards are deserved and desired by the recipient. The

expectancy model of motivation suggests that a teacher's effort and performance will respond favorably to an incentive. Teachers must perceive a correlation between effort and performance; in this context, expectancy is the probability that more effort will lead to better performance (Odden & Kelley, 1997). In contrast, a more negative reward will less likely motivate an employee.

A national survey conducted by Peter D. Hart Research Associates, "Teaching AT Risk: A Call to Action," concluded that teachers believe their profession ought to be better paid when teaching at-risk kids (Payne, 2006, p. 13). The results confirm Vroom's expectancy theory that a financial reward will motivate employees to perform better. For compensation programs to be effective and to avoid the kinds of pitfalls that undermined earlier attempts to link pay to performance, a comprehensive understanding of the factors influencing compensation is necessary. In order to achieve this, the principal's role in motivating teachers to perform for financial gain must be reviewed.

Vroom's expectancy theory laid out three kinds of relationships affecting motivational behavior. In Turcan's (2011) dissertation, he identified the three parts of motivational behavior as including "a positive relationship between good performance and rewards, a positive relationship between effort and performance, and the delivery or achievement of valued outcomes and rewards" (p. 29).

Vroom's expectancy theory is more relevant for this study because it was rigorously tested and received strong support (Fudge and Schlacter, 1999). Smith and Rupp (2003) also claimed, "expectancy theory provides a general framework for assessing, interpreting, and evaluating employee behavior" (p. 109). Expectancy theory has become popular for identifying performance outcomes. The theory has been widely used in organizations, schools, and large

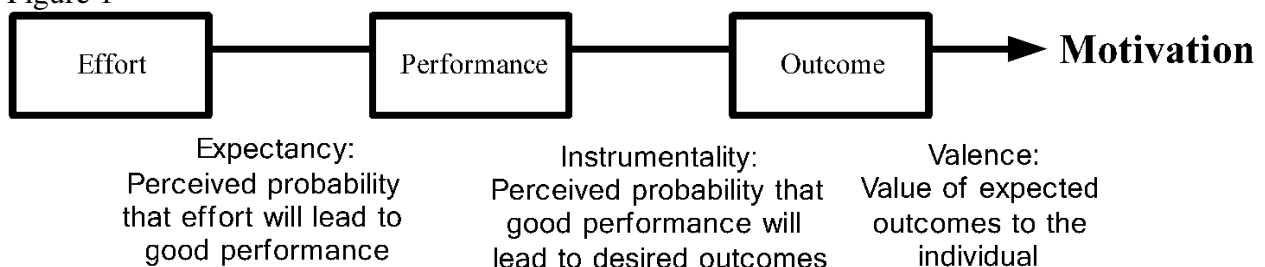
companies to understand individual influences. Expectancy theory provides a rich conceptual framework for designing and implementing a performance-based pay system. It provides a useful template for understanding how the performance-based pay system affects teacher motivation (WoonHa, 2003, p.55).

Vroom's expectancy theory included three major components—valence, instrumentality and expectancy. The theory as a whole is often referred to as the VIE theory in reference to these components. The theory addressed extrinsic and intrinsic motivators when describing the possible causes for workplace behaviors (Turcan, 2010, p. 39). It proposed the following three motivators:

- 1) That the expenditure of personal effort will result in an acceptable level of performance;
- 2) That the achieved performance level will bring about a specific outcome for the person;
- 3) That the achieved outcome is personally valued. (Isaac, Zerbe, & Pitt, 2001)

Previous research on teacher motivation using expectancy theory has also found correlations between teacher motivation and how they perceive school effectiveness, how their principal rates teacher performance, and what kind of attitude their students have toward school (sagepub).

Figure 1



^a Seongsin L. (2007). Vroom's expectancy theory and the public library customer motivation model. *Library Review*, 56(9), p. 788 – 796.

Vroom's expectancy theory is relevant to analysis of the structure of performance pay because it is based on rewarding good performance based on the awardees values. The rewards in this case are financial and moral. The researcher thus poses the following question: does Victor Vroom's expectancy theory establish a relationship between expectancy and outcome for teachers and performance pay? Expectancy theory will enable the researcher to identify the specific behaviors that produce positive results in students.

Expectancy models of motivation suggest that a teacher's effort and performance will respond favorably to an incentive if it meets the following three conditions (Woon-Ha, 2002, p. 52):

Effort-performance expectancy. Principals must perceive that their efforts to promote a pay-for-performance system will motivate teacher to perform toward receiving an award that they deem valuable. Expectancy refers to the "will do" of individuals.

Performance-outcome expectancy (instrumentality perception). The teacher must believe or expect that successful effort (such as higher performance) will result in a certain outcome (such as bonus pay). They must trust that attaining the goal will return the promised outcome (Odden & Kelley, 1997, 2002).

Valence (value, worth, attractiveness). Valence is the strength of the teacher's valuation of the proposed reward. Teachers must value the bonus enough to put forth sufficient effort.

Three recent research studies on performance pay and school-based pay provide a basic understanding of the varied factors that contribute to a successful system. Research conducted by Woon-Ha (2003) identified the motivational effects on teachers of a performance-based program in Korea. Woon-Ha used expectancy theory to explore the operation of performance-based pay, teachers' reaction to the system, and its motivational impacts on teachers. Expectancy theory

suggests that teachers will be more likely to change teaching and work behaviors if they believe their efforts will result in a bonus. This research determined that a lack of understanding of the system and of concrete feedback to the teachers resulted in teachers dismissing the bonuses and failing to improve their performance. Surveys and interviews with teachers indicated that a large percentage of them did not adequately understand the evaluation system, accept the evaluation standards as indicative of good teaching practice and work behaviors, or believe that the evaluators (the principals) were qualified to conduct evaluations. Furthermore, they believed the system to be unfair and to require considerable effort and work (p. 150). The study indicated that teachers reacted negatively to the performance-based pay system in Korea. Low expectancies and instrumentality resulted in low motivation to improve instructional performance.

Research conducted by Lopez (2010) studied leadership to determine the change process for teachers involved in a performance-pay program. Lopez (2010) studied the relationship between the instructional leadership of principals and the change process of teachers toward performance pay. Fifteen schools participating in the *Education Teacher Fund* in a district of a southwestern state were the sample. Using numerous leadership and professional development theories, Lopez determined that a monetary award served as one catalyst but not as an overall motivation for change. The reward in of itself did not drive improvement in student learning. Lopez's results indicated that professional development opportunities led to greater professional competency, or teacher efficacy, and that these and the monetary award provided substantial incentive to change practice (p. 113). Principals' efforts to provide information to teachers may be a key component in improving teacher practice.

Kelley, Heneman & Milanowski (2002) collected surveys and interviews from teachers about the motivating effects of performance awards. They conducted their research in Kentucky

and North Carolina school districts that used school-based performance awards. The researches applied Vroom's expectancy theory to determine how motivating a school-based performance award was for teachers. The purpose of the research was to examine teachers' motivation in response to a school-based performance award as a predictor of schools' success in meeting their goals.

Researchers interviewed staff at sixteen schools in Kentucky and twelve schools in North Carolina. The results of the research suggested that teachers were generally motivated to perform by the school-based award when they understood the award system and were committed to its goals. The vast majority of teachers reported that they tried to make improvement toward meeting or even exceeding their school's goals (Kelley, Heneman & Milanowski, 2002, p. 393). However, the research contended that the perceived probability of a positive outcome was low even after the program had been in place for over two years. This implies that the bonus was not an effective motivator because teachers' prior experiences with school-based performance pay made them skeptical of the promised awards (p. 394).

These study results imply that teachers must perceive the goals and rewards to be achievable and fair. Maximizing their perception of the achievability of the goals will lead to positive outcomes. Motivational impact is not increased when teacher are simply guaranteed or promised a teacher bonus (p. 397).

Organizational Frameworks

Organizations can play a role in priming their staff to respond positively to a pay-for-performance system. Bolman and Deal discussed the importance of looking at organizations as systems. School principals must know how to identify areas where leverage can be employed

successfully (Lopez, 2010, p. 29). A principal must be able to use, integrate and manipulate a system that will produce the most significant results for the organization.

Bolman and Deal (2003) have discussed the benefits of familiarity with institutional leadership and organizational styles when leading an organization. To effectively lead an organization requires the ability to motivate and facilitate change toward meeting its vision. The following four strategic approaches can be used to achieve results: the human resource, structural, symbolic and structural frames. For example, if an employee is motivated by, witnessing students succeed; a structural approach may be a leader's best strategy for facilitating success. If an individual is more highly motivated by the interpersonal relationship gained from working with a student, a human resource approach would be a necessary strategy.

Understanding how each frame applies to various situations is imperative for understanding teachers' motivations.

The Human Resource Frame

The human resource frame assumes that employees are motivated by and entitled to more than a paycheck (Bolman & Deal, 2008). Follett (2008) emphasized the social aspects of an organization. The human resource frame focuses on understanding people and their skills, emotions, desires and fears. For this approach, all systems revolve around the philosophy that meeting individual's needs produces productive employees. People are the heart of any organization. According to Bolman and Deal (2003), this approach is built from the following four core assumptions: (a) organizations exist to serve human needs; (b) people and organizations need each other—organizations need ideas, energy and talent, and people need careers, salaries, and opportunities; (c) when the needs of people and of organizations do not fit, one or both suffer; and (d) a good fit benefits both.

When individuals find happiness and satisfaction in their work, they put their talent and energy to most effective use for the organization. Teachers' wellbeing depends on their feeling that they are part of decision-making processes. Enabling teachers to express their opinions in a safe place, collaborate amongst their counterparts, and make decisions based on student data allows for real collaboration amongst teachers. Investing in small learning communities, climate, and partnership programs to create a safe and serious learning environment all serve to provide support and collegiality. Faculty and staff must feel as though their needs are being met, which primarily equates to frequent professional feedback from peers and supervisors. Under this frame, faculty members must receive feedback consistently, be rewarded for gains and be celebrated often. To ensure adequate gains, teachers' professional development should be invested in through tried and tested instructional strategies that provide the most academic gains. In addition, providing teachers with opportunities to choose their professional development paths allows validation and self-actualization. The leader is thus charged with ensuring balance, determining when to invigorate the staff and ascertaining how much to delegate to others to elicit the best performance from a teacher.

When people feel an organization is responsive to their needs and supportive of their goals, managers and leaders can count on their followers' commitment and loyalty. Managers and leaders who are authoritarian or insensitive, who do not communicate effectively, or who simply do not care about their employees can never be effective managers and leaders. The human resource manager and leader work on behalf of both the organization and its people, seeking to serve the best interests of both.

The leader's functions according to the human resource approach are support and empowerment, which includes listening to employees' aspirations and goals, communicating

personal warmth and genuineness, and expressing the importance of employee relationships. When conflict arises, the members of the organization will address one another in the spirit of open communication and caring. Employees need autonomy to perform their jobs well and must feel comfortable expressing their needs to ensure successful output. The approach's central concepts include relationships, needs, feelings and skills.

The Structural Frame

When applying the structural frame to teacher performance, it is important to look at its characteristics and potential returns. The structural frame attends to the relationship between structure and environment. Its ideal structure is thus clear and appropriate to the goals, tasks, and environment toward which it is employed. Research suggests that without such a structure, people become unsure about their purpose. Structure allows people to do their best. When an organization's policies, structures and systems are in place, it can achieve its goals and individuals can be effective in their roles. Its leader must design the most efficient structures for the organization by defining roles, rules, goals, policies and technology integration.

A successful leader who applies the structural framework must develop rules, roles, policies and procedures. In research by Rojas (1996), principals reported that they played a key role in coordinating all the components required of a successful school, which included creating school-wide structures, policies and procedures (p. 118). The structural framework enabled established goals, guidelines and objectives to be achieved. It ensured that all stakeholders are on the same page on specific student goals and outcomes. Jennings (2005) argued that it enables each party to maintain an understanding of his or her obligations and the obligations of other parties (p. 235). Failure to meet obligations resulted in individuals withdrawing their trust, whereas successfully meeting expectations and goals allowed for celebration. In contrast, if the

leader were to impose a structure with strict consequences rather than opportunities for growth and learning, there would be little room for celebration.

The structural frame highlights the need to group individuals according to knowledge and skill. Team leaders, department heads and assistant principals are assigned specific tasks and assignments. Positions are appointed based on merit instead of years of service or previous titles. This frame also applies to student achievement. A structure providing students with academic milestones and goals is imperative, and these goals must be explicit, transparent and accessible.

Planning, task forces and reflective meetings provide opportunities for dialogue and vertical and horizontal teaming. Reoccurring faculty meetings, target planning, weekly lesson planning and individual conferences contribute to the structural frame's hierarchy. As the leader, the principal must exude confidence and willingness to do whatever it takes to accomplish the institutional mission. Faculty and staff must feel that the leader is able to hold teachers and students accountable for their actions. As with any frame, the right amount of structure requires the leader to consider prevailing circumstances affecting the organization's goals. Research shows that without such a structure, people become unsure about what they are supposed to be doing. When policies, structures and systems are in place, the organization can achieve its goals and individuals can effectively fulfill their roles. The structure allows people to do their best. The leader's job is to design the most efficient structure for the organization by defining roles, rules, goals, policies and technology integration. He or she must account for all of these elements when determining the most effective approach to refocusing a campus.

The Symbolic Frame

The symbolic frame explores how meaning, beliefs and faith help people make sense of chaotic situations (Probst, 2010). The symbolic frame emphasizes the following assumptions:

1. What is most important is not what happens but what it means;
2. Activity and meaning are loosely coupled;
3. In the face of widespread uncertainty and ambiguity, people create symbols to resolve confusion;
4. Many events and processes are more important for what they express than for what they produce;
5. Culture is the glue that holds an organization together and unites people around shared values and beliefs. (Bolman & Deal, 2006, p. 242)

In contrast with the frameworks where rules, authority or policies drive the organization, a unique culture driven by stories, ceremonies, rituals, and heroes drive the symbolic frame (Bolman and Deal, 1991). The symbolic frame is represented through an organization's symbols, flags, mascots and colors. Trends, values, principles and purposes drive its culture. Meaning, belief and faith are central components of an organization's symbolic frame because humans create symbols to increase predictability and provide direction for organizations. By aligning symbols and behaviors, an organization's culture avoids being interfering and invasive. Instead, the culture represents what an organization stands for and does. The symbolic leader and members of the organization recognize unity and a strong culture, mission and vision.

The Political Frame

The political frame is based on the following five assumptions: (a) organizations are coalitions of assorted individual interest groups; (b) coalition members have enduringly different values, beliefs, information, interests, and perceptions of reality; (c) its most important decisions involve the allocation of scarce resources ; (d) scarce resources and enduring differences result in day-to-day conflict and an emphasis on power; (e) goals and decisions emerge from bargaining

and negotiation among competing stakeholders jockeying for their own interests (Bolman & Deal, 2008).

To compliment what occurs inside the organization, the principal, faculty and staff must work with the public in a manner that communicates a vision and goals determined by the stakeholders. The principal must be cognizant of how political and interest groups work with very separate agendas. Most scholars who call for change in governance structures view schools as “alive and screaming” political arenas that house a complex variety of individual and group interests (Bolman & Deal, 2008, p. 186). With pressures from the state, school district and community, the principal must be versed in negotiating differences, which will result in substantial returns for the school. When articulating institutional needs, student achievement must be the driving force behind all requests for support.

The school becomes more cohesive when the principal is able to articulate to his or her faculty and staff the external factors that may undermine the school. This communication enables faculty and staff to work together toward a common goal, regardless of outside influences. Teachers protected from outside influences can direct their attention toward student performance and outcomes. The political frame plays an even more complex role in the implementation of new pay structures. In a decade where resources are scarce, conflict arises when stakeholders feel they are not a part of the decision-making process. Unions are especially vocal when they feel that a system was developed without adequate planning or collaboration, or that it withholds fair wages. An effective leader will use the political frame when implementing, supporting and sharing information with teachers.

School leadership styles are situational and may require a combination of these approaches, depending on the organization's needs. Principals leading the schools must be cognizant of the effect they have on teachers and teaching to ensure positive student results.

Leadership Theories

Leadership involves influencing others to understand and agree about what needs to be done and how to do it and facilitating individual and collective efforts to accomplish a shared objective (Yukl, 2006, p. 8). *Leadership* is a common term that has been incorporated into the technical vocabulary of a scientific discipline without being precisely redesigned. Most definitions of leadership assume that it involves an individual exerting intentional influence over other people to guide, structure and facilitate activities and relationships in a group or organization (Yukl, 2006, p. 3).

There are many theories about the concept and practice of leadership. Early leadership theories focused on the behavior and qualities of successful leaders, whereas later theories emphasized the role of associates and followers. The most commonly accepted leadership theories are the following: great man theory, trait theory, power-influence theory, situational theory, behavior theory, participative theory, relationship theory, goal path theory and management theory. Clearly understanding the purpose of leadership also requires understanding the roles of each involved in a task. A leader is the one charged with a task and a follower is the one who assists the primary leader in carrying out the task's functions, but the roles are not necessarily interchangeable.

Effective leadership uses behaviors to influence others' behaviors. A closer look at leadership theories will allow us to better understand the leadership traits and skills needed to influence followers.

Trait Approach

Trait theory is one of the earliest approaches to studying leadership. Its underlying assumption is that some people are natural leaders. After decades of research into the elusive qualities of the born leader, it was determined that traits could affect a delayed outcome such as group performance and leader advancement (Yukl, 2006, p. 13). Hundreds of trait studies conducted in the 1930s and 1940s sought to identify these elusive qualities, but these massive research efforts failed to isolate the traits that guarantee success (p. 13). In response to the trait approach's failure, the behavior approach to leadership was developed in the 1950s to examine what leaders actually do on the job to be effective leaders. This approach includes several subcategories. One approach documents the leader's jobs and responsibilities. It investigates how a leader responds to various situations, demands and constraints. Documenting the leader's response provides insight into how well he or she resolves conflict and overcomes constraints. The second behavioral approach to leadership researches effective leadership behavior. Studies examined the correlation between leadership behavior and various indicators of leadership effectiveness (Yukl, 2006, p. 14). Laboratory investigations and field experiments were conducted to document behaviors and responses in critical incidents in order to determine how an effective leader differs from an ineffective leader.

Power Influence Theory

Rather than focusing on a single person, the power-influence theory approach examines the process of influence between leaders and other people. This approach seeks to understand the amount and type of power a leader possesses and exercises. Power is viewed as an important tool for influencing followers, subordinates, peers, superiors, community members and outsiders (Yukl, 2006, p. 14). This approach consistently uses questionnaires and descriptive occurrences

to determine the influence the leader has over his or her followers and the behaviors that result in follower compliance. This methodology combines the power-influence approach with the behavior approach and provides insight into specific behaviors. Leaders and followers produce products based on the flow of power between them. The theory concentrates on the leader's ability to influence followers based on his or her role and power.

Integrative Theory

The integrative approach to leadership amalgamates several types of leadership variables (Yukl, 2006, p. 15). This holistic approach to leadership involves leading oneself and others in a reflective, conscious and responsive way. A charismatic leader exemplifies the integrative approach in practice. This leader uses whatever means necessary, including personal sacrifice, to accomplish the group mission or objective.

Situational Leadership

Situational leadership emphasizes the contextual factors that influence leadership, like the characteristics of the followers, the nature of the work, the type of organization and the nature of the external environment (Yukl, 2006, p. 15). Situational leadership is specific to a situation rather than a personality or trait. The fundamental keystone of situational leadership is that there is no single best style of leadership. An effective leader will adapt a variety of methods, traits and behaviors to the group or individual that he or she is attempting to influence. The form of this kind of leadership will vary, not only according to the person(s) being influenced but also to the task, goal or job function that needs to be accomplished. Research of situational leadership attempts to identify the elements of a situation that produce a positive outcome. It assumes that different leadership styles will be more effective in different situations. Hersey and Blanchard's (2001) situational model is viewed as the most employed formal model of leadership today.

Transactional Leadership Theory

The transactional leadership style was first described by Max Weber in 1947 and revived by Bernard Bass in 1981. Transactional leadership is the ability to facilitate team oriented behavior or collaboration among employees to accomplish necessary organizational tasks (Ferry, 2010).

Transactional leadership is usually observed when a certain type of exchange relationship is formed between leaders and followers according to their respective needs (Hughes, Ginnett, & Curphy, 2008). Transactional leadership is a viable means to an end but may lose its purpose once the transaction is complete. Transactional leadership is based on an exchange of the follower's services for something valuable that the leader possesses or controls. Transactional leadership is only successful when the leader and the led are in agreement about the tasks required.

Transformational Leadership Theory

Transformational leadership theory dates back to the influential writings of James Mac Gregory Burns (1978), who differentiated the transformation and transactional leadership styles (Golm, 2009, p. 4). Sometimes interchangeable with charismatic leadership, according to Oakley & Kruy (1991), transformational leaders not only have a vision but can also convince their employees to accept ownership of that vision. Employees thus become committed to carrying the vision through to completion. They need not have originated the vision; they need only be willing to be inspired and empowered by it. Furthermore, transformational leadership recognizes the needs of an organization and the importance of motivating followers. Transformational leaders achieve results in more than one way. They may be charismatic and thus inspire their followers, they may meet the emotional needs of each employee, and they may

intellectually stimulate them (Bass, 1990). These leaders have the ability to motivate employees to look beyond their self-interest for the good of the whole group. Further, transformational leaders are individually considerate; they pay close attention to differences among their employees and act as mentors in developing them (Bass, 2001, p. 21).

For this research study, it is vital to identify the appropriate style of leadership for a performance-based pay system. Leaders greatly influence their followers; we must determine the skills and traits needed to elicit change.

Principals and their Roles

Principals are key players who can make or break how a pay system is accepted among staff. They can potentially undermine the implementation of any change. When teachers expressed a positive attitude towards the principal, feelings of faculty isolation were low. Teachers noted that when they felt positively toward the principal, they were more dedicated to student achievement. Again, the instructional leader guides the faculty by building goals that will potentially lead to increased student achievement and communicating these to teachers in a way that can be internalized (Covey, 2009, p. 76).

Logically but unfortunately, administrators tend to be “hired and retained” based on their capacity to buffer teachers from outside interference and to support the prevailing system. In school districts in Charlotte and Kentucky researched by Kelley, Heneman and Milanowski (2002), the principal was solely responsible for communicating a performance-based pay system to the teachers. Principals in these districts exercised their leadership to achieve program goals, which left the overall effort to the discretion of the principal.

Leadership Illusion

No one can lead effectively when constructive feedback is regarded as an invasion of privacy or an affront to professionalism. When administrators “go along” instead of leading, they perpetuate mediocrity. Elmore (2000) termed this the logic of confidence; it does not review whether teaching actually occurs (p. 7). Elmore (2000) wrote that “educational change literature” has bolstered isolation and “a-leave-me-alone-let-me-teach” mentality. This mentality has resulted in the isolation of best practices. Mandates are important, however. Policymakers are obligated to set policy, establish standards, and monitor performance. Reeves (2009) reminded us that what matters cannot be mandated (p. 22). In research conducted by Lopez (2010), transactional and transformational leadership were used in different phases of a performance-based pay system.

Power and Influence

Influence is the essence of leadership. Effective leadership involves influencing people to carry out requests, support proposals and implement decisions. Influence in one direction tends to increase in other directions (Yukl, 2006, p. 313). Yukl (2006) contended that effective management requires power relationships and influence processes. Influence is the action or force by an individual to modify another person’s activity or behavior. Power is the force that makes influence effective. Power involves the capacity of one party (the agent) to influence another party (the target). It refers to the agent’s ability to influence one target or many. In this dissertation, ‘power’ is used to describe the agent’s power to influence the behavior and attitude of many at a given point in time (Yukl, 2006, p. 146). Kelman (1958) proposed three different types of influence processes called internalization, personal identification and compliance.

Kelman's definitions of influence described the motivation behind acts of influence. Kelman's described the following three factors of social influence:

Compliance. The target person carries out the requested action to obtain a tangible reward or avoid punishment. Compliance occurs publicly without changing personal beliefs.

Internalization. The target person become committed to the request that appears intrinsically desirable and correct in relations to the targets belief system. The individual complies and believes in the behavior.

Personal Identification. The target person imitates the agent's behavior to be more like the agent (Yukl, 2006, p. 146). The individual complies because he or she likes the individual proposing the behavior.

Motivational theory can help determine whether teachers are solely motivated by pay or whether other factors are involved. This study focuses on connections between expectancy theory and leadership theory in organizations.

Resistance of Teacher's Organizations

Leaders of national and local teacher unions appear committed to the single salary schedule despite proof of unequal assignments in specific teaching fields and areas. Teacher unions work for teachers and not for students. Teacher unions adamantly oppose performance pay because they believe that not enough evidence proves that it increases student achievement and because no two plans are alike. Unions claim that schools rely on a mix of factors, including student test scores, teacher evaluations, placement in hard-to-staff schools and subjects, and professional development. These factors are hard to measure and reward. Teachers opposed to the plan claim that work with children cannot always be measured; they claim that to educate a student is to educate the "whole" student. In addition, many of the pay-for-performance plans

allow educators and principals alike to opt out of the reward. Differences amongst school leaders and teachers present a number of issues that may affect students' success. As stated previously, principals must be cognizant of the effect they have as leaders on teachers' performance. A leader who strays from the overall vision of the district can be disastrous at the campus level. Next, teacher evaluations are deemed by many to be subjective and inconclusive. Fairness of evaluation is a central but also the most challenging aspect of a pay-for-performance model. The evaluation standards must be clear and appropriate to each teaching assignment. Moreover, teachers' performance must be developed toward conforming to the model in a way that enables dialogue.

Teacher unions and teacher interest groups may also negatively influence a team's culture and its progress towards achieving goals. Due to a high level of ignorance about performance pay, union members prey on ill-informed teachers.

A performance-pay model provides teachers and schools with a framework for the content and materials valued in the district. The individual-based performance system encourages teachers to close any gaps between their abilities to successfully teach different types of student. Furthermore, successful teachers will stay in a profession that continues to reward them financially. This encourages unsuccessful teachers to leave the profession while rewarding successful ones.

Houston ISD experience/PFP determined through Value Added

In 2006, the Houston Independent School District (HISD) Board of Education approved a teacher performance-pay program awarding teachers financial incentives based on three categories of performance pay (Stevens, 2010, p. 6). The ASPIRE award, as termed by the HISD Board of Education, was based on the following assumptions: performance pay drives academic

performance; good teaching occurs in all schools; teamwork is valuable; performance pay does not replace a competitive base salary; and performance-pay systems are dynamic and evolve over time. The award included three categories of award. The first category calculated incentives based on the campus's performance on TEA Accountability and TEA Comparable Improvement. The second acknowledged academic growth of a teacher's instructional cohorts on the Stanford 10 and Aprenda norm referenced exams. The third category focused on the academic growth of the campus overall based on Stanford and Aprenda test scores. Although not a transparent program from the point of view of educators, the ASPIRE initiative was implemented in 2006. The ASPIRE Award resulted in several negative outcomes. The creation of unfair competition between teachers resulted in individual rather than collaborative work. Teachers became overly focused on subjects and skills that would be tested or measured for a reward. Lavy (2007) coined the term "game-play" to refer to a responses to the reward system that contradicts the educational profession's spirit. It occurs when teachers turn to deviant behavior like cheating and fail to serve the best interest of their students in order to serve their own monetary interest instead. An issue that arose on the campus where I was principal was that teachers would focus their attention on students they felt would provide the most "bang for their buck," meaning those students who would show the most growth or meet the minimum standard. The Texas Assessment of Knowledge and Skills (TAKS) encouraged too much attention to the tested material rather than to a more integrated approach to teaching. Due to public concern and teacher union outcry, the HISD had to revisit it on numerous occasions to better promote a professional learning community. Nonetheless, pay for performance continues to be implemented in year three of ASPIRE and has metamorphosed based on teacher concerns and union pressures.

ASPIRE

Value-added measures track a teacher's effectiveness on a group of students' academic growth from year to year. Value-added measures uses a student's own academic performance as a basis for determining his or her academic growth and is not related to a student's socioeconomic status or other personal characteristics that typically confound achievement-based measures (houstonisd). HISD contends that the value-added model determines a teacher's effect on each of his or her students. Once this effect is calculated, teachers are provided a detailed report indicating the amount of growth made over one instructional year. Each report provides the teacher a summary of their students' overall progress compared to other students in the district. The model additionally allows teachers to review a student's progress over time to compare his or her current and prior performance. Student's growth is measured using the results of TAKS testing and, for lower grade levels, Stanford 10 and Aprenda tests in Reading, Math, Social Studies and Science.

The model for elementary school teachers differs from that used for principals. At elementary schools, the core teacher is the homeroom teacher, teacher of record, or departmentalized teacher as identified by the campus administrator.

Critical Elements of ASPIRE for teachers, 2006-2007:

Strand I (Value-added Campus-wide Improvement) paid all instructional and non-instructional staff based on student improvement at the campus level. A value-added campus composite gain score was calculated for each campus across grades and academic subjects. This composite was based on a value-added measure calculated from the longitudinal performance of students on the TAKS and Stanford/Aprenda.

Strand II (Value-added Core Teacher Performance) paid individual teachers based on value-added student progress by academic subject. The following four parts of this strand ensured the inclusion of core teachers in grades PK–12:

- Part A- This method rewarded self-contained core subject teachers in elementary school grades 3–6 based on classroom progress by subject.
- Part B- This method rewarded departmentalized elementary school and middle-school core teachers in grades 3–8 based on classroom progress by subject.
- Part C- This method rewarded core instructional teachers at the high-school level based on campus-level department progress by subject.
- Part D- This method rewarded core early-childhood to second-grade teachers based on campus progress in reading and math.

Strand III (Campus Improvement and Achievement) rewarded all campus instructional staff based on how well the school has improved (TEA Comparable Improvement based on TAKS) compared with 40 other schools with similar demographics around the state. Another component of this strand rewarded all instructional staff at campuses that achieved or maintained TEA accountability ratings of Exemplary or Recognized (Houston ISD, Research and Accountability, August 29, 2007).

Critical Elements of ASPIRE for administrators, 2006-2007:

Campus value-added scores were rank ordered at the elementary and secondary levels. Schools ranked in the first or second quartile received incentives. Only principals at campuses with positive (greater than zero) composites received an incentive. The maximum award in Strand I was \$1,650.

Strand II Campus were ranked by level for each subject and placed into quartiles. Principals were eligible for awards for subjects showing growth (greater than zero). The maximum award for Strand II was \$8,220.

Strand III rewarded principals at schools that had significantly improved based on TAKS scale scores when compared to other school across the state with similar demographics. The maximum award for Strand III was \$1,650. Strand III also rewarded principals who maintained high levels of achievement based on state accountability ratings. The award was \$480 for an “Exemplary Campus” and \$240 for a “Recognized Campus.”

Current Professional Development Initiatives

The professional development strategies currently used to promote performance-based pay systems have included the use of district-level committees, research-based programs and district-wide training and implementation.

Leaders set the professional development agenda (Reeves, 2009, p. 63). Thoughtful planning and introspection enables a leader to determine his or her campus’s needs and priorities. The leadership for professional development comes from the faculty itself when the principal emphasizes the school’s internal capacity. Similarly, true learning comes from classroom application and collegial interactions. This simple approach may seem unexciting to some; no big send-off or program launch drives it, only regular team meetings where teachers discuss best practices, share information and help one another to find effective solutions (Schmoker, 2006). In Fullan’s (2000) book on professional development, he claimed that clumsy and superficial approaches to professional development around ill-defined or trivial programs resulted in decreased commitment. Research conducted by Kelley, Heneman and Milanowski (2002) suggested that professional development and the design of the performance-based pay systems

should emphasize outcomes and be communicated to best motivate teachers to achieve goals. Furthermore, principals should receive sufficient resources to successfully implement professional development programs. Teacher's perception of a program's fairness is another important factor for its success. The rationale behind performance based measures, the level necessary for improvement, and the mechanics of the program must be explained to teachers to establish a basis for fairness (p. 395).

Implementation Issues

School districts must carefully consider how to implement performance-pay based systems. As with any other major initiative, it is important to communicate goals and vision and to provide professional development connected to the goals. The plan for implementation depends heavily on the system the district currently has in place. For a district that has a compensation plan in place, the new components will be less complex and challenging. A school district needing to restructure its entire compensation plan must consider a more intricate approach. Stronge et al. (2006) suggested the following four broad categories for implementation: alignment with the overall strategic plan of the district, clearly articulated logistical details, consideration of the timeline and, finally, an established comprehensive transition plan. All of these categories are extremely important and must be worked out in detail prior to being introduced to employees.

Conclusions

Many states and districts are discarding traditional pay systems in favor of pay-for-performance systems that link rewards and incentives with improved instruction and increased student achievement. Appropriate assumptions and clear and transparent goals should guide pay-for-performance programs. An effective compensation plan aligns objectives and outcomes,

communicates in a clear way, and provides an appropriate and adequate timeline. The difficult process of change should also be considered when implementing such a program.

A student's education may be a more complex endeavor than the theory of merit pay suggests. As Dufour (2004) stated, educators must work together in professional learning communities to achieve the goal of learning for all students (Clifford, 2008, p. 124).

Proponents of performance-based compensation believe that money for teachers will ensure student success in the classroom. However, teachers need clear concise systems and transparent structures that the school principal supports and communicates.

Open discussion can establish trust in a system through fair and impartial decision-making. The issue of performance pay will continue to be a "hot issue" for Texas teachers and administrators. Further research on student achievement, the real purpose of pay-for-performance systems, should enhance the discussion.

Summary

The literature review indicated that leadership theories, motivational theories and organizational frames are all essential for the implementation of performance-based pay systems. Although performance-based pay programs have been implemented with various degrees of success, research has inadequately addressed the effect a principal has on motivating teacher performance. The principal's leadership style and method of communication affect how performance-based pay is viewed and implemented. Analysis of a school's organizational frame provides additional insight into the initiative's effectiveness and success.

Chapter Three: Methodology

Introduction

The challenge of closing the achievement gap continues to daunt educators and administrators. Increased public awareness of the status of schools in the last decade has pressured school districts to find ways of motivating, retaining and recruiting teachers. Performance-based pay is perceived as a means of increasing teachers' performance and output. Performance-pay systems have been unable to monitor, track and hold teachers accountable for student progress and achievement, however. Studies on performance have found that incentives can drive teachers but their staying power, effectiveness and implementation requires further research.

This chapter aims to explain the researcher's methodology for this study. The first section explains the research design. The second section reviews the participant criteria and selection process. Section three specifies the details of the data collection process.

Research Questions

The following research questions guide the identification of *how* principal practices, beliefs and communication techniques affect teacher performance:

1. How do principals perceive the merits and values of performance-pay systems?
2. How does the principal's perception affect the teachers' perception of the effectiveness of performance pay?
3. How does the principal communicate and facilitate the development and implementation of performance-based pay systems?

Research Design

This study employed a qualitative research design. As Willis (2007) stated, qualitative research does not generally proceed in predetermined and carefully planned steps. “Instead, there is a set of foundational beliefs and many guidelines that are often followed (but sometimes ignored or changed)” (p. 199). Qualitative research design enables analysis of a particular situation, event, role or group. It focuses primarily on the participant’s perceptions, experiences, and ways of making sense of their lives (Merriam, 1998). Qualitative research is largely an investigative process whereby the researcher gradually makes sense of a social phenomenon by contrasting, comparing, replicating cataloging and classifying the object of study (Miles & Huberman, 1984).

Willis contended that a researcher cannot fully exclude any personal information or experience. One major feature of excellent qualitative data is a focus on naturally occurring and ordinary events in natural settings; it provides a strong handle on “real life” (2007, p. 10).

The researcher’s interpretive role allows him or her to take a different track. He or she must attempt to recognize biases and values and consider the possibility of compromised judgment. Willis (2007) listed the following thirteen general principles of qualitative research:

The research’s purpose is situated or contextual understanding, not truth;

It must accept multiple sources of influence;

It should expect and seek multiple perspectives;

It should take a foundational rather than a technical perspective;

It should collect and analyze practical recursive (iterative) and emergent data;

It should use multiple sources of data; It should approach research as a reflective process;

It should emphasize participatory research; It should adopt an open approach;

It should directly address bias;

It should select natural contexts for research; Its approach should be holistic, not atomistic; and

It should involve more than induction and deduction; analogical reasoning is also important. (p. 216)

Description of Sample

The sample was composed of a group of people selected to participate in the study. The sample was purposive and therefore not random. Sampling was conducted using two actions. Willis (2007) suggested that the researcher must set boundaries and create a frame to help uncover, confirm and qualify.

The researcher selected three active principals from five elementary schools and two teachers from each of the participating elementary schools. The five principals from one large urban school district voluntarily participated. Sampling criteria included the following:

1. The principal must have continuously worked for the district for at least two years;
2. The principal had chosen to participate in the district's performance-based pay system;
3. The principal was eligible for performance-based pay;
4. The teacher must have worked for the school for at least two continuous years.

The participants' years of experience and qualifications were documented to enable the researcher to ascertain whether these factors played a role in the study outcome.

The first phase of the selection process included an analysis of principals that had received performance-based pay and had 80% or more teachers "opt-in" to receive pay for performance. This review process will allow the researcher to meet the selection process of

teachers and principals. For convenience of data collection, the schools were all in close proximity to the researcher. The principals and teachers were invited via phone and email to participate in the study. The researcher scheduled an initial interview to present a formal letter of introduction, a copy of the dissertation abstract, a copy of the interview protocols, and all other pertinent information.

Procedures for Data Collection

Approval was obtained including Institutional Review Board (IRB) and local school board procedures. The data collection steps included setting boundaries for the study, collecting information through semi-structured observations and interviews, and establishing the protocol for recording information (Creswell, 2003, p. 184).

Case studies typically include multiple sources of data including observations, structured and non-structured interviews, and analyses of documents (Willis, 2007, p. 241). The researcher has in mind the data he or she wants to collect for the case study. The level of structure for interviews can vary. For this study, semi-structured interviews and surveys were used to ensure valid and open-ended responses. Two-hour observations were conducted to gather thick descriptions of behavior. The interviews with principals and teachers were audiotaped and transcribed by the researcher using Atlas Ti software and manual coding.

The researcher also employed probes, which are defined by Merriam (1998) as questions or comments that follow up on a previous question for clarification, explanation, or additional information (p. 80).

Data Analysis

The process of data analysis involves making sense out of text and image data. It involves preparing the data for analysis, conducting different kinds of analyses to better understand the

data, presenting the data, and interpreting its significance (Creswell, 2003, p. 190). In Miles and Huberman's (1994) model for qualitative data analysis, reducing data were the important first step of analysis.

The data collected included a detailed description of the participant's setting and themes and issues for analysis. Data were categorized, coded, and reviewed for general trends. Codes are efficient data labeling and data retrieval devices because they empower and speed up analysis (Miles & Huberman, 1994, p. 65). Coding can drive ongoing data collection and is a form of early analysis. Atlas Ti software enabled useful quotations and multiple perspectives within each category to be efficiently located.

Open coding allowed the researcher to examine and identify data's meaning by dividing the responses into segments and looking for common themes or categories. This enabled the researcher to organize the data into a manageable set of themes.

Every effort was undertaken during the data collection and data analysis phases to increase the study's validity. Member checking was used to determine the accuracy of the qualitative research findings by verifying with participants the accuracy of the final report, specific descriptions, and themes (Creswell, 2000, p. 106)

The data were triangulated through continuous examination of transcripts, artifacts, survey results, performance-pay program descriptions, and related documents. Reflective journaling, audit trails, and member checks were also used to support validity.

Summary of Chapter

Chapter Three presented the methodology used to conduct this study. It described the research elements and the study methodology, including the research design, sample and data

analysis. The chapter that follows will consist of the results of the study organized by significant reoccurring themes and research questions.

Chapter Four: Results

Introduction

This chapter analyzes the data collected for this qualitative study. The first section addresses information regarding the selected school sites, principals and teachers. The second section deals with the research question and prevalent themes. The study asks how principal practices, beliefs and communication techniques affects teacher performance. The research findings answered the following three questions:

1. How does the faculty perceive the performance-based pay system?
2. How did the principal communicate and facilitate the development and installation of the performance-based pay system?
3. How do the teachers perceive the principal's leadership in the implementation of a performance-based pay system?

The data included professional development documents from schools, trainings logs and documents specifically about ASPIRE, the performance-based pay system used in HISD. It also included nine interviews. Three principals were interviewed using a detailed questionnaire (see Appendix E). Two teachers from each campus were also interviewed (see Appendix D) to ensure triangulation of data and to provide teachers' perspectives. All interviews were audiotaped (see Appendix B) and uploaded using Atlas software to assist with coding. Written consent for the audiotapes and transcriptions was obtained as indicated in the research design.

Qualitative Coding Process

The following four themes emerged in the review of the interviews: professional development, leadership styles, motivation, and school climate and culture. The research notes

and transcribed interviews provided verbatim quotes to assist in coding these themes. Each code and supporting data was also weighed.

School District

The HISD is the largest school district in the state of Texas and the seventh largest in the United States. Its student population is 26.5% African American, 2.9% Asian, 61.7% Hispanic and 7.8% White. Of the 202,000 enrolled students, 53% are in elementary, 16.7% in middle and 6.8% in high schools, with 6.8% combined/other. HISD is the largest employer in Houston.

Table 4.1

ASPIRE Model

ASPIRE Awards: Percent Eligible Earning Award		
	# Eligible	# (%) Paid
2006-2007	16,583	13,157 (78%)
2007-2008	18,114	15,844 (87%)
2008-2009	17,806	15,704 (88%)
ASPIRE Awards: Amount Paid		
2006-2007		24,245,592
2007-2008		31,570,473
2008-2009		40,540,059

^a HISD WEBSITE:

(<http://www.houstonisd.org/HISDConnectDS/v/index.jsp?vgnextoid=62c6757761efc010VgnVCM10000052147fa6RCRD>)

Table 4.2

Teachers' Salaries (10 months)

Degree	Salary Range
Bachelor's Degree	\$44,987-\$66,182
Master's Degree	\$46,017-\$69,550
Doctorate	\$47,047-\$72,920

The teachers interviewed were all eligible for the ASPIRE Award and were in teaching assignments that did not compromise their ability to receive the maximum amount. All interviewed teachers and principals confirmed that they had “opted in” to be eligible for ASPIRE awards.

School A: Physical Location and Description

School A is a predominately Hispanic elementary school with a population of approximately 550 students, 96% of whom are eligible for free and reduced lunch and 69% of whom are considered ‘at risk.’ It is located in southeastern Houston in a commercial neighborhood. The faculty make-up is 73% female teachers and 70% of teachers have five or less years of teaching experience. The school has received a Texas Educational Rating of ‘Exemplary’ for the past two years.

School A: Principal Profile

Principal A has served the campus in many different capacities. She was an instructional coordinator prior to being principal. As an instructional coordinator and as principal, she “opted-in” to ASPIRE to receive performance-based pay. Principal A led her campus as it transformed its performance and earned the Texas Education Agency’s highest rating of ‘Exemplary.’

School B: Physical Location and Description

School B is a predominately Hispanic elementary school with approximately 640 students. The school is located in a southern Houston residential neighborhood. The neighborhood consists of single-family residences and a few apartment complexes. The teacher make-up is 80% female and 36% of teachers have five or less years of teaching experience. The school has been rated ‘Exemplary’ by the Texas Educational Agency for the past three years, beginning with the 2007-2008 school year.

School B: Principal Profile

Principal B has eight years experience as principal, six of which have been at this school. When she arrived at the school, its rating was ‘Acceptable.’ Her leadership improved that to ‘Exemplary’ and has maintained it for the past four years. The principal describes her faculty as

“family.” She is convinced that all students can learn and that the goal of the school is to enable students to reach their highest level of achievement regardless of their background. Principal B believes in continually improving her practice, as evidenced by her recently earning a doctorate degree in Education, an achievement that was celebrated by the entire campus.

School C: Physical Location and Description

School C is located near downtown Houston. The school is predominately Hispanic with a population of 500 students, 83% of whom are eligible for free and reduced lunch and 70% of whom are considered ‘at risk.’ The school has been rated ‘Acceptable,’ ‘Recognized’ and ‘Exemplary’ for the past four years, with the most recent rating being ‘Recognized.’ The faculty is 79 % female teachers and 50% teachers have less than five years of teaching experience.

School C: Principal Profile

Principal C has been on this campus for seven years, has approximately twenty years of experience in the educational field, and holds two Master’s degrees. He was a part of the committee that reviewed the development and implementation of the ASPIRE principal program. Principal C describes his position as one that is not highly regarded. He is adamant that principals and teachers alike are servants to their students. His work on this campus has earned his school a rating of ‘Recognized.’ The front page of the schools website reads, “A Picture School with a focus to expand the minds and improve the lives of all students.”

Campus Profiles

Data used for the following tables were acquired from the Academic Excellence Indicator System (AEIS) report. Data from Table 4.3 indicate the percentage of students on free and reduced lunch and the school’s academic rating for the 2010 school year.

Table 4.3
Campus Profiles for Schools A, B, and C

	Free and Reduced	Academic Rating
School A	96%	Recognized
School B	97%	Exemplary
School C	96%	Recognized

Staff/Teacher Profiles

Table 4.4
Teacher Profiles for Schools A, B, and C

	Number of Teachers	Teachers with 5 or less years of experience	Teachers with 11 or more years experience
School A	34	70%	12%
School B	39	38%	36%
School C	27	63%	26%

^a Table 4.4 indicates teachers' years of experience.

Teacher A1: Profile

Teacher A1 is currently serving as an instructional coordinator for the school, to which he was promoted after teaching for four years as a fifth grade math and science teacher. He received his teaching certification through an alternative certification program in Houston, Texas. Teacher A1 had not held any other full-time positions prior to this job assignment. His current role on campus requires him to coach teachers to become more effective in the classroom using data analysis and “best teaching practices.”

Teacher A2: Profile

Teacher A2 is currently serving as a fifth grade science teacher and is the science department chairperson for the entire campus. He has been at School A for four years and has served as a teacher throughout his term. He had not held any other full-time positions prior to this job assignment. Teacher A2 was certified through an alternative certification program in Houston, Texas.

Teacher B1: Profile

Teacher B1 is currently serving as a self-contained fifth grade teacher and teaches all subject areas daily. She is also the fifth-grade department chairperson. Teacher B1 has been at the current campus for six years and had not held any other full-time positions prior to this job assignment. Teacher B1 received her certification through an alternative program in Houston, Texas.

Teacher B2: Profile

Teacher B2 is currently serving as a self-contained third grade teacher and is responsible for teaching all content areas. She has been on the same campus for three years and does not serve in any leadership capacity. She received her certification from a university educational program. This is her second full-time position. In her previous position, performance-based pay was not available.

Teacher C1: Profile

Teacher C1 serves as a third grade math teacher, technology trainer, and teacher mentor. He has served at this campus for five years. Prior to becoming a teacher, teacher C1 held a full-time position in the business field where he was eligible for but never received performance-

based pay. He received his teacher certification in an alternative certification program in Houston, Texas.

Teacher C2: Profile

Teacher C3 currently serves as a second grade self-contained teacher. He is responsible for teaching all subject areas for his students. He serves many roles on his campus, which include the following: Title III teacher, LPAC lead teacher and CAT testing coordinator. He has been on the campus for six years and received his certification through an alternative certification program in Houston, Texas.

Research Questions

The outcomes of teachers' responses about how they perceive the performance-based pay system's implementation.

Research Question One

How does the faculty perceive the implementation of the performance-based pay system?

School A. Teacher A1 reported that the principal trained them on the system at a faculty meeting at the beginning of the school year. The training resulted in this teacher feeling “rather clueless and the training went over our heads.” Neither the system’s implementation nor the program basics were fully understood.

Teacher A2 reported that training was provided by the principal, but only “what I learned informally through teachers” proved valuable. Teacher A stated that he was unsure about the system criteria and “just knew we may receive performance-based pay.”

School B. Teacher B1 reported that Principal B provided faculty training on performance-based pay at the beginning of the school year. He further researched the program on his own

because he did not fully understand it. He claimed, “I watched videos on the campus but still did not understand the intricacies of the program and how one can receive an award.”

Teacher B2 reported that she received training from the principal and still did not understand the program. She claimed, “All I knew was that my students had to do well on standardized tests to get an award. I really did not understand it, it was so broad.”

School C. Teacher C1 reported that he received training during the second year of the system’s implementation. He said, “I learned about it in the second year of teaching. It was all over the internet and you would hear about in teacher meetings or bulletins. I learned about it because of teacher talk. Soon thereafter, the principal presented the information to the whole staff. The principal would give information on how the ASPIRE award was going to work. It was still very confusing to me and I knew we were all a little concerned about how it would play out.”

Teacher C2 reported that he also learned about it from the principal in a faculty meeting during his second year of teaching. He said, “There were a lot of activities we had to do online and even though they present a FAQs list, I had a lot of questions that were not there. I thought it was clear at the beginning, but when the pay-out happened I knew it was still unclear.”

Summary

The data show that the professional development varied across campuses. The data indicate that a principal led training introduced the program to each campus, but teachers were still unfamiliar with the system’s goals, details, and the award requirements after these trainings. The teachers reported that they were still “on the fence” as to whether they supported the system or not, even though their principals had informed them about the system. Teachers reported that the

program's implementation on their campus was minimal and left numerous questions about the program unanswered.

Research Question Two

How did the principal communicate and facilitate the development and installation of the performance-based pay system?

School A. Teacher A1 reported that communication occurred three years prior, during a faculty meeting at the beginning of the year. The principal was reported to have followed up on specific questions by referring teachers to the ASPIRE help desk and by calling in a specialist from the district to answer questions. Communication was sparse and Teacher A1 claimed, "We don't talk much about it."

Teacher A2 reported the principal's overview of the program in a faculty meeting left many confused. He claimed, "When the person from the district came and clarified everything it made it clear in everyone's mind exactly what the program stands for."

School B. Teacher B1 reported that the principal provided the initial training and all subsequent trainings were conducted by outside sources solicited by the principal. The teacher reported that the principal led professional learning communities (PLCs) to revisit the program implementation and discuss basic questions about it.

Teacher B2 reported that minimal discussion occurred after the principal's presentation. The teacher conceded she was dedicated to her students and to the principal's mission and vision even though she did not fully understand the program.

School C. Teacher C1 reported that little discussion took place after the faculty meeting. The teacher described confusion throughout the year about the program's criteria and its impact on his specific teaching assignment. He commented that the "calculations used to produce

an award are challenging and extremely difficult to figure out.” Teacher C1 described the principal’s communication as being positive when he trained teachers and therefore believed him to support the program. In addition, the teacher reported that the principal’s manner of communication made him believe this to be a good initiative: “He would say this is another way for you to be rewarded for all the hard work you already do.”

Teacher C2 reported that the program implementation was minimal and included only a meeting at the end of the year to announce the awards. Teacher C1 contended that there was currently a lot of discussion amongst teachers about how the awards were paid out. He claims, “I don’t think the principal knew that amongst the teachers there was a lot of division. I know all the information was online, but there are a lot of teacher responsibilities and we don’t have enough time to look these things up.” The teacher also reported that the principal said their focus should not be on the money but rather on improving student learning.

Summary

As a whole, the teachers reported minimal communication about the system. Furthermore, the program was viewed as an HISD rather than a school initiative. When asked about whether their principal supported the program, the respondents provided different answers. Some teachers were unfamiliar with the principal’s position on the program while many assumed that the principal must support it as he or she presented it. The teachers that reported that they believed the principal supported the initiative based their assessment on the principal’s “way” of presenting it. All teachers reported that the principal provided minimal or no follow-up. Teachers from one school reported that it was revisited when teachers had questions about the pay-out announcement.

Research Question Three:

How do the teachers perceive the principal's leadership in the implementation of a performance-based pay system?

School A. Teacher A1 reported that the principal was always "straightforward and upfront" about the initiative. He believed that the leader implemented the system to the best of her ability. He stated, "I think much of the information went over the heads of most of the people at the training. The huge problem with the system is that it so complex and 99.9 percent of the HISD employees do not understand it." Teacher A1 reported that he believes the principal had "mixed" feelings about the program when she presented it. He further sensed that she was frustrated about the whole program so he sought information elsewhere. He contended, "She gives us a great deal of autonomy, and does not micromanage, she wants what is best for kids, so with or with-out this bonus, we will still work hard."

Teacher A2 claimed the principal's leadership motivated him to improve as a teacher. He described her leadership style as "keeping us on task, making sure we meet deadlines, and reminding us to monitor student progress." He interpreted her presentation of the ASPIRE program in the following way: "I would say she is for the program, I have no reason to believe otherwise, she is pretty straightforward with her opinions."

School B. Teacher B1 recollects the day she heard about ASPIRE: "The school gave a training on it and we watched a video, looked at pamphlets and brochures. I understood it when it was introduced, the basics, I work hard to get the best scores for my students because that is what we do here." The presentation included videos, brochures and the principal speaking to the faculty.

Teacher B2 recalled a training at the beginning of the year when the principal introduced the initiative. The teacher stated that the principal discussed each teacher's progress and goals with him or her, "but she never said this will help you with ASPIRE." Teacher B2 stated that she knew that she would receive money if her students grew academically. "Our principal makes sure we are meeting our goals, and she makes sure we are prepared and informed and wants to know what we are doing and why." Teacher B2 believed that the principal supported performance-based pay because "she always wants us to be an exemplary school, but she does not have to verbalize it, we know."

School C. Teacher C1 shared that his principal consistently communicated information to the faculty in an effective way. He claimed, "He likes to keep us out of the gray areas, so he follows up and he did it very well." Teacher C1 went on to describe the principal as an "open-minded leader." He claimed that his leadership style changed dependant on the person and the grade level. Although the principal used a lot of emails and notes, the teacher felt that an "open door" policy helped him feel comfortable asking the principal anything.

Teacher C2 stated that the principal did a presentation at the beginning of the year. He said, "He added as much detail and was very responsible in disseminating information and data. After that he kept reminding you about it, he was very professional, and he shared it to us like it was a good thing."

Principal Responses

School A: Research Question One

How does the faculty perceive the implementation of the performance-based pay system?

Principal A provided faculty training about the implementation of the system. She contended that all that the system was very new to her; "between both us and the district, we

were learning about all of this together.” Principal A provided the initiative’s basic information but was “unsure” about its details and intricacies. She explicitly chose to provide minimal information as more may have increased the teachers’ confusion. Principal A believed the program should have been implemented by someone familiar with the initiative and able to answer questions about the award calculations. She related to the teachers and claimed, “All of us were on the same boat, we were all learning together and there was calmness because we would get through this together.” Principal A believes that she provided a “risk-free environment, where no one was going to get their hand slapped if you did not know things, we are all going to learn together.”

School A: Research Question Two

How did the principal communicate and facilitate the development and installation of the performance-based pay system?

The data show that the principal provided opportunities for teachers to receive additional training by requesting additional presentations for the teachers. The principal acknowledged her lack of knowledge about the program and sought assistance. She felt responsible for ensuring that all teachers were aware of and clear about the program. She was eager to assist for the greater good of the school. She described her communication with teachers as honest and straightforward. She believed that the goal of the school remained the students’ welfare and this drove the teachers more than the money did. For teachers needing support with their assigned students, she held individual conferences in her office.

School A: Research Question Three

How do the teachers perceive the principal’s leadership in the implementation of a performance-based pay system?

Principal A introduced the new initiative at a faculty meeting. She reported that her teachers were attentive and open to it but noted behaviors that suggested confusion and uncertainty in response to her description. Although Principal A reported that she may have been viewed as unqualified to teach them about the program, she claimed that she was very candid about what she knew about the program and what she was unclear about.

School B: Research Question One

How does the faculty perceive the implementation of the performance-based pay system?

Principal B stated that the faculty perceived the implementation as a non-negotiable requirement of the district. The implementation included the principal forwarding emails and correspondence from the district to the teachers.

School B: Research Question Two

How did the principal communicate and facilitate the development and installation of the performance-based pay system?

Principal B recalled communicating the ASPIRE program using different methods. Teachers were presented an overview of it during a faculty meeting and received follow-up emails and individual conferences. Principal B contended that the implementation was difficult because “we hardly knew about the program.” She claimed, “As a principal, it is our role to support the district, but this was really hard.” Principal B contended that she needed to receive additional assistance with the follow-up questions she was unable to answer.

School B: Research Question Three

How do the teachers perceive the principal’s leadership in the implementation of a performance-based pay system?

Principal B reported that the teachers were “as lost as I was.” Principal B introduced the program according to the information provided to her by the district. She reported that the information was cumbersome and included details she found impossible to explain. Principal B reported that her teachers’ understood that they would work together to understand the program.

School C: Research Question One

How does the faculty perceive the implementation of the performance-based pay system?

Principal C reported that the faculty saw this as “another way to reward excellence.” The principal contended that the implementation was difficult, but the teachers were excited about their ability to be rewarded for what they were already doing.

School C: Research Question Two

How did the principal communicate and facilitate the development and installation of the performance-based pay system?

Principal C communicated with his staff in faculty meetings, professional learning communities and individual conferences. The principal primarily facilitated the program implementation and relayed all follow-up information through emails and personal correspondence.

School C: Research Question Three

How do the teachers perceive the principal’s leadership in the implementation of a performance-based pay system?

Principal C reported that teachers responded positively to his presentation about ASPIRE. He reported that he felt confident teaching the program basics. He also assured his teachers that he would provide them more opportunities to ask questions by providing them access to optional

district provided professional development. Principal C reported that his teachers perceived his ability to introduce the system positively.

Cross-Case Analysis

The three research questions guide the cross-analysis of the three elementary school case studies. The common developing themes identified in this research serve to establish differences and similarities between schools.

Background

It is important to establish the context of the three schools before comparing them according to the study themes. All schools in this study are part of the largest urban school district in the state of Texas. The schools share commonalities and considerable differences. School A is located on the distant eastern side of Houston and is located in a commercial urban area. Built in the 1980s, it is a relatively new school and surrounded by businesses.

The vast majority of the teachers at School A are *Teach For America* teachers with less than five years of experience. Most are female. School A's principal has three years of experience in the role of principal and three years of experience on the same campus as an instructional coordinator. She has held two roles on the same campus. In school B, half of the teachers have less than five years of experience and half have more. The majority of the teachers on this campus are also female. School B is located on the far southern side of Houston and surrounded by a residential neighborhood with a few businesses. The building is new and includes outside resources like a butterfly garden and vegetable garden. School B's principal has been on the campus for over five years and has a doctorate degree. School C is located in central Houston. It is surrounded by a residential neighborhood and is a visibly older building from the 1950s. The majority of the primarily female teachers on this campus have less than five years of

experience. All schools are Title I campuses with over 95% of students receiving free and reduced lunch.

Research Question One

How does the faculty perceive the implementation of the performance-based pay system?

Similarities and differences between the three schools are established through the emergent themes identified in this study.

Confusion. The teachers involved in this study communicated an overall sense of confusion and uncertainty during the implementation of the performance-based pay system. Schools A, B and C provided professional development to their teachers at the start of the school year. All principals reported that their own level of understanding was low and that they had difficulty relaying the program information to the teachers. School A provided professional development to their teachers once during the three years of the program's implementation. District staff and personnel provided all information. All principals reported that the district provided the campus with handouts and answers when information was requested. Principal A and B reported that they were unable to provide comprehensive and effective training to teachers. Principal C reported that he was confident that he could address questions when teachers were unclear about the goals and intricacies of the program.

All teachers involved in this study repeatedly communicated they could not fully understand the initiative based on the information provided by the principal. The presentation involved a PowerPoint presentation and handouts provided by the district and disseminated by the principal. Pamphlets with Frequently Asked Questions (FAQs) were also handed out.

Teachers overwhelmingly agreed that the initial training provided by the campus principal was not thorough enough to motivate them to change their practice based on the

incentive. Teachers on two campuses perceived the program positively because their school leader presented the information and appeared to support the program by association. The other teachers were relatively unfamiliar with the outcomes of the program and maintained a guarded view of it.

Ambiguous and complex facets of program. All teachers reported that the system was far too complex for any teacher or administrator to understand. Many of the teachers who did not understand the information presented sought additional information through word-of-mouth and the district website. All teachers reported that, even with this additional information, they were still “clueless” about the program specifics and had a difficulty explaining its facets.

Research Question Two

How did the principal communicate and facilitate the development and installation of the performance-based pay system?

The emergent working theme “high expectations” was used to establish similarities and differences between the three schools.

Culture of high expectations. All principals communicated with their teachers that the ASPIRE award was a way to “reward excellent teachers.” All but one teacher nonetheless stated that this was just an “added bonus” to the hard work and high expectations they already had for students in their classrooms. All teachers and principals reported high expectations for their students. Teachers reported that the principals also held them to these high expectations for student academic achievement. Teachers worked hard because they believed in the school’s mission and vision of consistently high student performance. Teachers believed that their principal modeled hard work and encouraged student growth. All teachers were aware of the challenge of working with students and wanted to enable all to grow and learn under their

instruction. This culture was established and understood by the teachers interviewed. Teachers had bought in to the goals of the school prior to the implementation of the ASPIRE award.

Research Question Three

How do the teachers perceive the principal's leadership in the implementation of a performance-based pay system?

The emergent working theme of "honest and candid vision and goals" was used to establish the similarities and differences between the three schools.

Positive and Supportive. Teachers initially perceived the principals' implementation of the system positively. They reported that their principals were serious, helpful, and supportive. They appreciated the possibility of receiving an award for performance and were eager to learn the details of the program.

The leader was perceived to have communicated information in a factual and formal manner. The initial meeting consisted of an overview of the program that provided information about it to the faculty and tied it to the school's goals. Once information had been disseminated, Principal B and C continued the conversations through professional learning communities and individual conferences. Teachers at these schools perceived the follow-up efforts as enabling them to self-actualize, recognize their talents and exchange their concerns and feelings about the program. Principal B and C were described as being honest, candid and responsive to the teachers' needs. Although described as honest and candid, teachers reported that Principal A did not discuss how the ASPIRE initiative addressed their needs. Teacher A1 reported that the principal's leadership style when discussing ASPIRE did not influence him to improve his practice, whereas Teacher A2 stated that he agreed with the program because the principal supported it. Teachers expressed that the principals presented the information to teachers in a

direct, candid and formal style. All teachers felt that their principal presented and explained the information in as honest and open a way as possible. All teachers reported that each principal directed more specific questions about the program to district personnel.

Perceptions of the award. Teachers reported that this award was something they could earn because they were already great teachers.

Table 4.5
Perceptions of Teachers regarding principals' support for ASPIRE

School A	
Teacher A1	Neutral
Teacher A2	For
School B	
Teacher B1	For
Teacher B2	For
School C	
Teacher C1	For
Teacher C2	Neutral

All teachers from schools B and C reported that the initiative aligned itself with their school's mission and vision of high expectations for students. Upon further discussion, many teachers reported that the ASPIRE award was something that would reward them for all the hard work they already did. The majority of the teachers reported that they understood the principal to be in favor of performance-based pay because he or she presented the information about it. Teachers also felt that this incentive was a positive way to reward what they described as teachers that "go above and beyond."

Motivation. Teachers expressed as a whole that the motivation to improve their practices, had nothing to do with the possibility of receiving an award. Teachers believed that their real motivation for improving practice came from a desire to be a better teacher for their students and the principal. One teacher reported that ASPIRE did the exact opposite of what it was meant to

do. This teacher stated that once he received the award, he “[felt] like this is what I am worth?” This teacher expressed resentment against the system.

The majority of the interviewees stated that motivation came from within rather than the possibility of the award. Some teachers stated that they were slightly more motivated by the award if the principal was also motivated by it. The effort to improve performance was greater when the leader of the campus supported the teachers and had high expectations of their students.

Teachers were overwhelmingly motivated to perform because their principal supported the program. Teachers responded positively to the initiative because they liked their principal and felt that he or she supported it.

All teachers stated that they would support what their principal supported because it was in the best interest of the students to do so. Teachers were highly motivated by their principals. Teachers were more likely to perform through personal identification with well-liked and respected principals.

Table 4.6
Teachers Motivated by Principal to Perform

School A	
Teacher A1	Yes
Teacher A2	Yes
School B	
Teacher B1	Yes
Teacher B2	Yes
School C	
Teacher C1	Yes
Teacher C2	Yes

Interestingly, when teachers were asked whether they were motivated solely by ASPIRE, they reported that the option of receiving more compensation for what they already were doing in the classroom was an added motivation. However, when asked whether they had modified their

instructional practice to receive the award, only one of six responded “yes.” All others claimed that they were already doing everything they could to increase student achievement. In contrast, Teacher C2 reported that ASPIRE did not motivate him because the specifics of the program were unclear.

Table 4.7
Teachers Motivated by ASPIRE to Perform

School A	
Teacher A1	Neutral
Teacher A2	For
School B	
Teacher B1	For
Teacher B2	For
School C	
Teacher C1	For
Teacher C2	Neutral

Summary

This chapter provided the findings from the research study. Three urban schools were included in the study. The purpose of the study was to identify how principal leadership behaviors affect the implementation of a performance-based pay system. Campus results were reported in sequence with teacher responses separate from principal responses. The first section provides profiles of the selected sites, including demographic information and principal information. The second section lists the research questions and most prevalent themes from the teacher responses. The next section addresses the similarities and differences between the three schools according to the teacher and principal responses. The final section presents a cross-analysis organized by research question that addresses leadership style, communication, motivation and perceptions of the award.

Chapter Five: Conclusions, Implications and Recommendations

Introduction

This chapter includes a re-statement of the problem, the purpose of the study, the research questions, the methodology, and a discussion of the findings. The discussion addresses the major themes for understanding how principals communicate and facilitate performance-based pay systems. This chapter reviews Bolman and Deal's Organizational Framework (2003) and organizes the discussion according to transformational, situational and transactional leadership theories. The chapter concludes by presenting implications for practice and suggestions for further research.

Re-Statement of Problem

Many new pay plans for teachers are based on the belief that individual teachers can raise their students' scores on standardized achievement tests. Some salary structure reform advocates believe student test scores should be the sole measure of teachers' effectiveness (Koppich, 2008, p. 1). The challenge of maintaining and rewarding excellent teachers requires analysis of how these systems are implemented and communicated by the principal.

Legislation such as NCLB (2001) holds schools accountable for closing achievement gaps and outlines consequences for failing schools, including severe measures such as removal of school leadership, teaching staff, and/or reconstitution of schools. The *Blueprint for Reform* (2010) showed continuous support from the federal government to close the achievement gap but has not yet solved the problem (Miranda, 2011, p. 131). Teachers are the major focus of this movement as the federal government seeks ways of rewarding successful teachers. For parents and politicians who want better schools, the idea of paying teachers more if their students perform better can seem as basic as adding two and two or spelling 'cat.' Only a handful of

schools and districts around the country use such strategies, however (Turner, 2010).

Performance-based pay initiatives are being formed in response to billions of dollars in government grants as incentives to try the idea. Pay for performance is not a new practice, but it is receiving a significant attention and funding from private and public organizations eager to improve the educational system.

A growing body of research has determined that the principal's leadership behaviors affect teacher performance. Principal behaviors and responsibilities have been linked to improved academic achievement (Davis, Darling-Hammond, LaPointe, Meyerson, 2005; Council of Chief State School Officers, 2002; Marzano, Waters, & McNulty, 2005; Portin, Knapp, Dareff, Feldman, Russell, Augustine, Gonzalez, Schyler, & Ikemoto, 2009; Waters & Cameron, 2007) (as quoted in Miranda, 2011). This research built from Bolman and Deal's (2003) human resource frame and transformational leadership categories. Studies of organization and leadership styles support the belief that principal's practices, beliefs and communication techniques affect teacher performance.

Purpose of Study

The purpose of this study was to identify how principal leadership behaviors influence and affect teachers' perception of performance-based pay systems. Principals play a key role in teachers' progress and impact on their students in the classroom.

The kind of leadership demonstrated in schools will substantially influence the success or failure of these initiatives because it affects teachers' response to the change process.

Research Questions

This qualitative study investigated *how* school principals influence teachers' performance behaviors and results in performance-based pay districts. It investigated the following questions:

1. How does the faculty perceive the implementation of the performance-based pay system?
2. How did the principal communicate and facilitate the development and installation of the performance-based pay system?
3. How do the teachers perceive the principal's leadership in the implementation of the performance-based pay system?

My interest in the topic of pay for performance grew from my experience as a principal in a district that implemented a system to reward teachers who performed at high levels. It was evident to me that how I introduced the program may affect how my teachers perceived performance-based pay.

Methodology

As Willis (2007) stated, qualitative research does not generally proceed according to pre-specified and carefully planned steps. He claimed, "There is a set of foundational beliefs and many guidelines that are often followed (but sometimes ignored or changed)" (p. 199). This study is based on the qualitative data analysis protocols set forth by Miles and Huberman (1994). As such, a multi-case study served as the primary vehicle for obtaining and interpreting the data. A case-study methodology was most appropriate for this study because the subjects and the phenomena under consideration needed to be observed in action. Collection and analysis of data elements that included individual interviews and pertinent documents enabled a better understanding of subjective perspectives on principals' impact on teachers' performance. Miles and Huberman (1994) identified a series of limitations to qualitative studies, such as data overload and researcher bias. To achieve dependability and validity, the researcher employed data triangulation, multiple observations, reflective journaling, audit trails, researcher bias examination, and member checks. No statistical analysis procedures were employed.

The data analysis followed the strategy put forth by Gay, Mills and Airasian (2006). The researcher first reviewed and noted patterns to consider the “big picture.” This was followed by data coding, which is defined as “the process of categorically marking or referencing units of text with codes and labels as a way to indicate patterns in meaning” (Airasian, Gay and Mills, 2006, p. 471). The interviews with principals were audiotaped and transcribed using Atlas Ti software and manual coding.

To prevent data overload, data were reviewed numerous times and then coded on index cards used to manage and sort themes. Triangulations of data ensured that the conclusions were supported by more than one source (Willis, 2007).

The sample was purposively selected. This method responded to the following claim: “Because many potential participants are unwilling to undergo the lengthy demands of participation, sampling in qualitative research is almost always purposive” (Airasian, Gay, Mills, 2006, p. 114). The researcher decided to select three active principals from elementary schools and two teachers from each of the participating schools. These schools were selected due to their participation in the ASPIRE award. Three elementary school principals from the large Houston Independent School District voluntarily participated.

This study used the following sources of data that informed the findings: ASPIRE handouts, Professional Development PowerPoint presentations developed by HISD, HISD research and accountability documents, and semi-structured interviews of three principals and six teachers.

Specific Results

1. The pay-for-performance system studied in the HISD is perceived to be minimally effective because of negligible administrative and teacher involvement in ASPIRE development and

training. The minimal teacher investment in the system detached from it and led to an “us vs. them” mindset.

2. The administrators felt uncomfortable teaching the system to their faculty.
3. Teachers and administrators alike felt that the professional development provided for them was unintelligible and purposefully laborious.
4. Teachers felt that the principal must endorse the program because he or she presented it to them.

Discussion of Findings

The study confirms that principals influence teachers’ performance in this performance-based pay district. The results indicate that the actual pay-for-performance system does not directly motivate teachers to improve their performance. Furthermore, the findings answer the three research questions about how faculty perceive the implementation of the performance-based pay system, how principals communicated and facilitated its development, and how teachers perceived the principal’s leadership. This section includes a discussion of the findings according to the major themes emerging from the study.

Lack of Professional Development

The data analysis revealed that principals and teachers did not fully understand the system. Principals were charged to introduce, implement and support ASPIRE on campuses across the district. Teachers perceived their principal’s behavior to have positively fostered their acceptance of a new system for rewarding teachers. The majority of the teachers also believed that the principal supported the system because they presented it to the teachers and followed up with them on it.

The majority of the teachers responded that their practice did not change based on ASPIRE. Teachers stated that they would have continued to work as hard as they had in the past without the incentive. Furthermore, teachers reported that their principal inspired them to perform at high levels and to expect the same of their students. Specifically, teachers reported that the level of professional development they received about ASPIRE was inadequate and incomprehensible. Professional development was described to be “an afterthought” through which the district could quickly disseminate information to teachers. The teachers interviewed reported that they were not involved in developing the program and had not been asked for their opinion of it. All teachers reported that the program’s verbiage and strands indicated that it was designed without considering teachers.

The professional development that followed the initial introduction of the program did not require teacher attendance and were described as being as confusing as the initial trainings. To ensure success when implementing a compensation system, Koppich (2008) argued that capacity must be built within the organization. Capacity building in the context of teacher compensation has two equally essential elements. The first involves increasing the capacity of school districts to provide appropriate support structures for teachers confronting the new compensation structure. The second requires that teachers have ready access to well-structured, content-rich, and targeted professional development to improve their teaching practice. District systems design must include professional development opportunities for teachers and assessment mechanisms to gauge their success (Koppich, 2008, p. 26).

Lopez (2010) stated:

When communication is lacking, inaccurate, or untimely, there is great dissatisfaction among participants in the performance pay program. When communication is clear and

timely, there is less dissatisfaction, more cooperation, less fear, and less confusion.

Participants have tended to be more sensitive to communication when money is involved.” (p. 109)

Bolman and Deal (2003) contended that employees should always be informed. All employees should understand the financial and performance measures; these should be readily available and made accessible through introductory training (p. 143). All of the teachers agreed that they received insufficient information. Odden and Kelley (1997) reminded us that involving a select number of teachers in the program planning and design does not automatically ensure effective communication with other teachers not directly involved in the process. Outreach and communication to all teachers is crucial to the success of a new compensation system.

Leadership Styles

The school principal is extremely influential. He or she sets the school’s direction and purpose. Hallinger (2005) found that the instructional leader’s most influential tasks are setting the school’s vision and mission. The literature on leadership supports the findings of instructional leadership researchers on the importance of developing vision. According to Oakley & Kruey (1991), transformational leaders not only have a vision but also the ability to pass to their employees the ownership of that vision necessary to carry it through to completion. All of the principals demonstrated transformational leadership skills in their implementation of the program. The incentive provided by the district was a new one that transformed the district and the organization.. The principals used their skills to encourage best practices aligned with the school’s mission and vision. Furthermore, the principals revisited the incentive and encouraged personal and individual communication. They reminded teachers of the school’s mission and motivated them by appealing to their goals in the classroom.

According to Bass (1985), leaders transform and motivate followers by making them aware of the importance of task outcomes, inducing them to overlook their own self-interest for the sake of the organization, and activating their higher order needs. The transformational leader must provide opportunities for collegial interaction and exchange. Principals provide teachers with personal conversation, individualized goals, and inspirational motivation.

A study by Jacob and Springer (2008) found that support for performance pay correlated with teachers' view of their principal's leadership. The study suggested that the principal as instructional leader and mentor may enhance program support. It was evident in the findings that teachers were more apt to see performance-based pay as a positive initiative if they viewed their principal positively.

Motivation

The data analysis revealed that teachers were not motivated by the ASPIRE award. Teachers reported that their lack of knowledge about the program and inability to make sense of the award measures frustrated them. Leadership and organizational goals better motivated teacher performance. Teachers responded that they performed because they want the best for their students and to align themselves with the school's vision and mission. Principals' leadership skills in presenting and implementing the system were viewed positively and interpreted as evidence of their support for the program.

Lopez (2010) used numerous theories to identify the leadership and professional development that creates outcomes. Lopez determined that a monetary award served as one catalyst but not as the primary motivator for change. The reward itself did not drive improvement in student learning. It did motivate teachers but was not the primary motivator. Furthermore, all

teachers reported that they did not change their practices when performance-based pay was introduced.

In response to the literature review, it is difficult to isolate the source of motivation in a school setting. Vroom's expectancy theory is based on the following three assumptions: people believe that their behavior is associated with certain outcomes; outcomes or rewards have different values; and people associate their behavior with certain probabilities of success. The expectancy model of motivation suggests that teachers' effort and performance will respond favorably to incentives. Teachers must perceive a correlation between their effort and performance; in this context, expectancy is the probability that if the teacher puts forth more effort, it will lead to better performance (Odden & Kelley, 1997). Interestingly, the responses from teachers never indicated a clear association between the award and their behavior. Teachers reported that their behavior in the classroom did not change due to the possibility of reward.

However, the research contends that the perceived probability of a positive outcome was low even when the program had been in place for more than two years. This implies that the bonus was less effective a motivator and the teachers with prior experience of school-based performance pay were skeptical of the promised awards (Kelley, Heneman & Milanowski, 2002, p. 394).

Odden & Kelley (1997) contended that teachers must perceive a correlation between effort and performance. Teachers reported that their behavior had not changed in response to the possibility of a monetary reward. Simply put, teachers never changed their behaviors to obtain the award. On the contrary, they believed that their practices remained unchanged by the award. Instead, they were motivated to work harder based on the principal's expectations of them and their own desire to perform at high levels.

School climate culture

Leading and managing differ but both are important. An over-managed and under-led organization loses its sense of spirit and purpose (Bolman and Deal, 2003). The human resource frame was evident in these schools and heavily influenced how teachers worked and perceived performance-based pay. The frame was particularly relevant as most of the statements about principal leadership focused on support for teachers, encouragement and a helpful and responsive environment. Teachers were also invested in a shared philosophy of “doing what is best for kids.” Teachers reported that they believed in the principal’s leadership and the school’s mission.

Principals also reported that the ASPIRE award would not change their practice as principals. They believed that their teachers would perform in the best interest of their students with the support of continual positive reinforcement and monitoring through conversations and walk-throughs. The principals were eager to provide information to their teachers about the award through literature, district personnel visits or phone calls. Productivity on these campuses was high because people felt motivated to perform and bring the best to their work.

Conclusions

In conclusion, this study provides insight into how six teachers from three urban elementary schools perceived their principal’s leadership style and communication techniques when implementing a performance-based pay system.

With the country’s move to improve test scores, states have begun looking at ways to reward effective teachers based on test scores. The HISD took on the endeavor by rewarding teachers whose students showed significant progress on state mandated tests. Principals were

charged with introducing a system to their teachers and with maintaining and promoting its tenets. These schools had leaders that were transformative in personal style and organized through an approach that resembled the human resource frame. Teachers were motivated by their leaders and by their own desire to be the best teacher they could be. Fullan (1993) claimed that teachers call these instances “moral purpose” because they prioritize making a difference in student’s lives. The findings suggest that students and principals were teachers’ primary motivators. Simply stated, teachers as a whole were not motivated by the possibility of a monetary award.

Summary

There is a national movement to measure and hold teachers accountable for standardized test scores. Actions are underway to implement more comprehensive and non-punitive systems with monetary reward to ensure effective teaching practices. Leaders play a vital role in the effectiveness and sustainability of such programs. The pay-for-performance movement is a costly and timely endeavor that must be well designed. The leaders in the schools studied created a culture conducive to the successful implementation of a performance-based model. Principals communicated the tenets of the program and followed through with open discussion and referrals to the district. Although teachers were confused by the program details, they accepted the campus initiative because they believed in their principal and their school’s mission. Teachers reported being motivated by their principals, the mission and vision of the school, and their students’ progress. Pay for performance was viewed as an “added” bonus for student success.

As more teacher compensation systems are implemented, more data will emerge about the extent to which teacher involvement in system design and implementation contributes to their

effectiveness (Odden and Kelly, 1997). To be successful, each organization must additionally find a balance between the frames that best fit its mission and vision (Gallos, 2006, p. 349).

Implications for Further Research

The findings of this study suggest that teacher and administrator participation in the design and implementation of performance-based pay systems would help them better understand such systems. Better understanding of the program could motivate teachers to perform at high levels for the reward.

The following recommendations are based on the research results:

- Provide teachers and principals the opportunity to participate in the development of ASPIRE;
- Assess the need or capacity of principals to introduce, revisit and sustain knowledge about the details of the performance-based pay system;
- Ensure that leadership at the campus fully understands the purpose of performance-based pay;
- Investigate the outcomes needed following each teacher training about performance-based pay;
- Educate all stakeholders so they completely understand the performance-based program and its goal;
- Provide several opportunities for professional development in the performance-based pay system;
- Provide opportunities for teachers to review and ask questions to district personnel (in person) about the “pay out” awards at the end of each school year.

Further research should be conducted to study the following:

- 1) The possibility of a correlation between administrators and district staff in a successfully proposed, developed and implemented performance-based pay system;
- 2) Whether teachers' years of experience in the classroom influence their perceptions of performance-based pay system;
- 3) What types of professional development best sustain a performance-based pay system;
- 4) What specific principal leadership skills and strengths support the professional development of a performance-based pay system;
- 5) What kinds of follow-up best support the implementation of such programs.

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Appendix A

Houston Independent School District Consent Form of Study

HISD REQUEST FOR PERMISSION TO CONDUCT RESEARCH

Title: Teacher Performance Pay: Perceptions of Practicing Administrators and Teachers

Name: Xochitl Rodriguez-Davila
Position: Student Researcher
Address: 10302 Green Tree Houston, Texas 77042
University of Texas at Austin

Purpose of Research: Graduate Dissertation

Theoretical Basis: For the purpose of this study the Bolman and Deal's (2003) Organizational framework and Yukl's Leadership theories (2005) will be considered to guide the research.

Research Questions: The purpose of the study will be to investigate *how* school principals influence the performance behaviors and results of teachers in performance-based pay districts.

The study will be guided by the following research questions:

1. How does the faculty perceive the implementation of the performance based pay system?
2. How does the principal communicate and facilitate the development and installation of performance based pay system?
3. What perceptions do the teachers have of principal leadership behavior of the implementation of a performance based pay system?

Type of Research: Qualitative Study, Multi-case approach

Contribution of Research: To *expand* and *confirm* research regarding *how* school principals influence the performance behaviors and results of teachers in performance-based pay districts.

Sampling: The sample was selected using a *purposive* approach and *boundaries* set by the researcher considering the aspects of the cases that can be studied considering time limitations of the researcher (Miles and Huberman, 1994). For the study, three elementary school principals from the Houston Independent School District will voluntarily participate. The sampling criteria included in the study are:

1. The principal must have worked on campus for at least two years.
2. Two teachers will be interviewed (selected by the principal)
3. The principals selected serve on a campus that has been rated at least *Acceptable* by the Texas Education Agency for the past two years.
4. The campuses selected are Title 1 schools therefore; they are comprised of low socioeconomic background student population.

The first phase of the selection process will consist of an analysis of data available in the 2008-2009 and 2009-2010 *ASPIRE* reports. This review process will inform the selection of elementary school principals and teachers that meet the selection criteria. For convenience, the schools selected will be in close proximity to facilitate access for the researcher.

Appendix B

Consent Form of Study

Title: Teacher Performance Pay: Perceptions of Practicing Administrators and Teachers
IRB PROTOCOL #2011-05-0074

Conducted by: Xochitl Rodriguez-Davila, Educational Administration, 713 542-6782,
xochitlmelva@gmail.com

Faculty Sponsor: Dr. Ruben Olivarez of the University of Texas at Austin

Department/Office: Education Administration, Telephone: (512) 475-8579

You are being asked to participate in a research study. This form provides you with information about the study. The person in charge of this research will also describe this study to you and answer all of your questions. Please read the information below and ask any questions you might have before deciding whether or not to take part. Your participation is entirely voluntary. You can refuse to participate without penalty or loss of benefits to which you are otherwise entitled. You can stop your participation at anytime and your refusal will not impact current or future relationships with UT Austin or HISD. To do so simply tell the researcher you wish to stop participation. The researcher will provide you with a copy of this consent for your records.

The purpose of this study is how principal practices, beliefs and communication techniques affects performance amongst teachers. Participation in this study and the data collected will not be used as an evaluation of job performance.

This study will answer the following research questions:

1. How do faculty in three elementary schools perceive the overall effectiveness of a district-wide performance based pay system?
2. How does the principal communicate and facilitate the introduction and implementation of such performance based pay system?
3. What perceptions do the teachers have of their principal leadership behavior in the implementation of a performance based pay system?

If you agree to be in the study, we will ask you to do the following things:

- Participate in an interview for approximately 60 minutes in an audio-recorded interview about your perceptions of your principal's implementation of a performance based pay system (Aspire)
- If necessary, provide documents that support interview statements

Risks of the study:

- Though actions will be taken to prevent the loss of confidentiality there is a risk that confidentiality could be lost
- If you wish to discuss the information above or any other risks you may experience, you may ask questions now or call the Principal Investigator listed on page one.

Benefits of the study: There will be no direct benefit from participating in the study. Some respondents may benefit from the reflective process of answering questions regarding how principal school behaviors influence the performance behaviors and results of teachers in performance based pay districts.

Compensation: There is no compensation associated with participating in this study.

Confidentiality and Privacy Protections:

- Respondents privacy will be maintained by arranging interviews at a time and location convenient to the respondent. Respondents will be able to ask questions about the research and will be able to end the interview or withdraw permission to be included in the research.
- The records of this study will be stored securely and kept confidential in a locked desk drawer cabinet in the researcher's home.
- Authorized persons from The University of Texas at Austin, and members of the Institutional Review Board, have the legal right to review your research records and will protect the confidentiality of those records to the extent permitted by law.
- All publications will exclude any information that will make it possible to identify a participant.
- The audiotapes will be transcribed by researcher and researcher-assigned code names will be assigned. All audiotapes will be erased after researcher presents her final oral examination to dissertation committee.
- All identifying data will be removed immediately and be replaced using codes or pseudonyms. The master key file will be destroyed as soon as no further subject interactions are required.
- The data resulting from your participation may be made available to other researchers in the future for research purposes not detailed within this consent form. In these cases, the data will contain no identifying information that can associate you with it, or with your participation in the study.
- Throughout the study, the researchers will notify you of new information that may become available and that might affect your decision to remain in the study.

Contacts and Questions:

If you have any questions about the study please ask now. If you have questions later, want additional information, or wish to withdraw your participation call the researcher conducting the study. Contact information has been included at the top of this page. If you have questions regarding your rights as a research participant, complaints, concerns, or questions about the research at (512) 232-2685 or email orssc@uts.cc.utexas.edu. Anonymity, if desired, will be protected to the extent possible. As an alternative method of contact, an email may be sent to orssc@uts.cc.utexas.edu or a letter sent to IRB Administrator, P.O. Box 7426, Mail Code A 3200, Austin, TX 78713.

You will be given a copy of this information to keep for your records.

Statement of Consent:

I have read the above information and have sufficient information to make a decision about participating in this study. I consent to participate in the study.

Signature: _____ Date: _____

Signature of Person Obtaining Consent

Date: _____

Signature of Investigator: _____ Date: _____

Appendix C

Letter /Email to teacher and principal participants

Dear HISD principal/teacher,

I am a doctoral candidate at the University of Texas at Austin in the Cooperative Superintendency Program and the title of my dissertation is: *Teacher Performance Pay: Perceptions of Practicing Administrators and Teachers*.

The purpose of the study will be to investigate *how* school principals influence the performance behaviors and results of teachers in performance-based pay district, particularly Houston ISD.

Specifically, I am hoping that you will participate in my study. Participation will entail a 60 minute semi-structured audio-taped interview and will be strictly confidential. No names will be used and the summary will be reported only in an aggregate format. Your participation is voluntary. Even though the results may or may not benefit you personally, they may be helpful to other educators. If you volunteer for the study, you have the right to withdraw at any time without any penalty. The information you share will remain confidential and be reported only in summary of the participating individuals. Data will be shared with other researchers in the future but will not contain any identifying information that can associate them with the research or participation of this study. In addition, the researcher will keep all data collected under lock and key in my home office and all data will be shredded after three years.

The results will uncover *how* principal practices, beliefs and communication techniques is needed to identify how a principal's perception affects performance amongst teachers. This study is being conducted under the direction of the candidate's doctoral committee at The University of Texas at Austin.

As a current educator, I know how valuable your time is and truly appreciate your help with this research. If you have any questions please do not hesitate to contact me at the numbers listed below.

Thank you in advance for your consideration and assistance with this study.

Appendix D Teacher Questions

Semi Structured Interview for **TEACHERS**

Thank you for agreeing to meet with me today. My research project is an essential part of my requirements for my doctoral studies at the University of Texas at Austin. The purpose of the study will be to investigate how school principals influence the performance behaviors and results of teachers in performance-based pay districts. Due to your participation in the *ASPIRE* award, the information that you provide is considered important and essential in response to the inquiry of this study.

This session will be tape recorded and transcribed. Your responses will be kept confidential and no personally identifiable information will be included in the final dissertation.

Have you had an opportunity to review and sign the consent form? ___yes ___no

Do you agree to this interview being tape-recorded? ___yes ___no

Do you have any questions before we begin? ___yes ___no

1. Which is the following best describes you teaching assignment?
Teacher with a bachelor's degree?
Teacher with a Masters degree?
Teacher in alternative certification program?
2. How many years have you taught in Houston ISD?
3. How long have your worked for your principal?
4. How long has the principal been at your school?
5. Who is your evaluator?
6. Female_____ Male_____
7. Do you serve in a leadership capacity? If so, what is your role?_____
8. What subject do you teach?
9. What grade level do you teach?
10. Have you ever held another full time position before teaching?
11. If, so were you rewarded performance based pay?
12. Do you believe that performance based pay is a positive method to reward teachers?

Understanding

13. When did you first learn about performance-based pay for your district? What happened next?
14. What role did you play in implementing this in your district?
15. What things went well? What did not?
16. Do you have an overall understanding of the goals of performance-based pay? Why or Why not?
17. What is the major goal of performance based pay?
18. What is your goal?
19. Describe any changes in your instruction that you believe are a direct result of performance-based pay?

Perception

20. Will it be easier or harder to meet that goal? If so why? If not why?
21. Does your principal influence your decision to meet the goal?
22. What kinds of things will help you meet your goal?
23. Is your principal for or against performance-based pay? If so, how did you know? If not, how did you know?
24. What strategies if any did your principal use to introduce performance based pay at your school?

Leadership

25. What types of behaviors did you see in your principal when it came to performance based pay? And, what effects did it have?
26. What types of leadership behaviors did you observe in other people when pay for performance was being implemented? And, what effect(s) did they have?
27. What types of behavior did you observe because of your principal's communication style?
28. How would you describe their communication style? Please provide specific behaviors.
29. What else would you like to say about the implementation and monitoring of performance pay in your district/school?

Professional Development

30. How was performance based pay introduced to the faculty and staff?
31. Who provided the training? How long? How often?
32. Did teachers receive support after the training? If so, how?
33. Did you understand the goals? How did you understand the facets of the program?
34. Do teachers know what they need to do to meet the goal? If, so please provide an example.
35. How often does performance based pay get revisited?
36. During this school year did you try to receive professional development for performance-based pay? If so, what?

Appendix E

Principal Questions

Semi Structured Interview for **Principal**

Thank you for agreeing to meet with me today. My research project is an essential part of my requirements for my doctoral studies at the University of Texas at Austin. The purpose of the study will be to investigate how school principals influence the performance behaviors and results of teachers in performance-based pay districts.

Due to your participation in the *ASPIRE* award, the information that you provide is considered important and essential in response to the inquiry of this study.

This session will be tape recorded and transcribed. Your responses will be kept confidential and no personally identifiable information will be included in the final dissertation.

Have you had an opportunity to review and sign the consent form? ___yes ___no
Do you agree to this interview being tape recorded? ___yes ___no
Do you have any questions before we begin? ___yes ___no

1. Which is the following best describes your administrative assignment?
Principal with a Masters degree?
Principal with post Masters training?
2. How many years have you been a principal for Houston ISD?
3. How long have you worked for this district?
4. How long have you been a principal at this school?
5. Who is your evaluator?
6. Female_____ Male_____
7. Do you serve in any other leadership capacities?
If so, what is your role? _____
8. Have you ever held another principal position?
9. If, so were you rewarded performance based pay?
10. Do you believe that performance based pay is a positive method to reward teachers?

Understanding

11. When did you first learn about performance based pay for you district?
12. What role, if any, did you play in the development of performance based pay?
13. What was your role in the implementing it for the district?
14. How was performance based pay introduced?

Professional Development

15. What professional development did you receive for performance based pay? Was it required? How often?
16. Was it enough?
17. What is the major goal of performance based pay?
18. What went well? What did not?

Leadership

19. What types of leadership skills did you observe from your supervisors as it was discussed to you? What effects did it have on you?
20. What do you believe to be the most important aspect of performance based pay?

Professional Communication

21. How did you communicate to your teachers?
22. What are the methods you used to ensure understanding?
23. What types of professional development activities were used to follow up and address concerns or questions